CAN WE PREVENT A RECESSION?

The Reporter

February 17, 1953 25c

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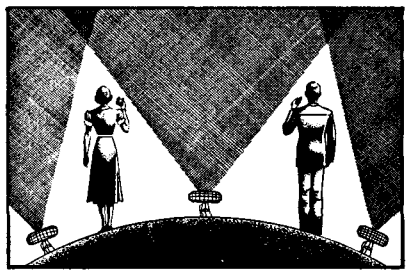
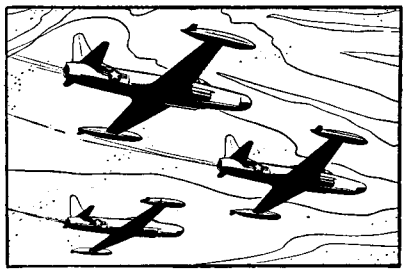
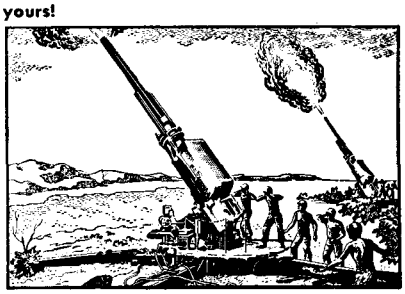
Only YOUR EYES AND EARS CAN TELL!



RADAR STANDS GUARD ceaselessly but human observers are needed to fill unavoidable gaps. Total defense needs eyes and ears, too!



AIR FORCE INTERCEPTOR FIGHTERS are on 24-hour duty. For timely warning they depend on radar—and on eyes and ears like yours!



ANTI-AIRCRAFT BATTERIES are on constant alert. They, too, must rely on radar and on patriotic sky watchers like yourself!

ONE MAN'S EYES OR EARS may save our nation—and those eyes or ears might be *yours!* Only *human eyes and ears* can do the complete job needed by the U. S. Air Force—can provide the vital link in our Air Defense network. For two years, our Air Force and Army have been organizing a defense network—and throughout this period have been on 24-hour alert. Fighter interceptors, anti-aircraft batteries and radar installations are ready and manned. Surprise air attack will not catch *them* off guard . . . so long as *civilians also do their part!*

Right now the U. S. Air Force is calling for 300,000 more volunteers in the Ground Observer Corps—to do a job of aircraft detection, identification and warning that radar alone cannot do. *This need is urgent!* It represents the last link in completing our Air Defense network.

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JOIN THE GROUND OBSERVER CORPS NOW!

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G. O. C., Air Force, Washington 25, D. C.

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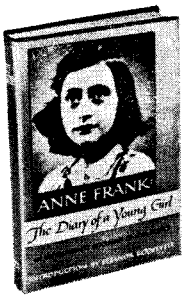
THE MOST IMPORTANT BOOKS

The Best in Literature...



Written while the author hid from the Nazis in Holland, it is at once a remarkably sensitive record of adolescence and an eloquent testimony to the strength of the human spirit.
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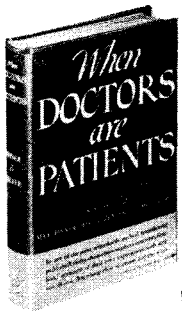

In their own words, thirty-three eminent physicians tell of their personal experiences with, shattering mental and physical illness and how they have come to terms with it.
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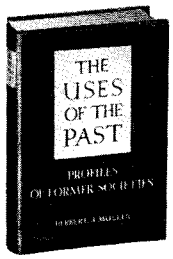

With the vision of both historian and philosopher the author surveys the golden ages of such societies as the Grecian, the Roman, and the 'Holy Russian,' in a search for a pattern for our times.
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In this wonderfully warm volume of recollections, America's beloved humorist conjures up the magic land of his youth.
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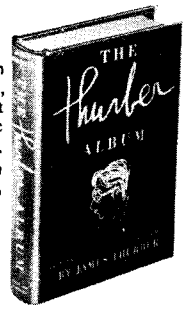

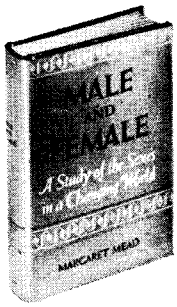

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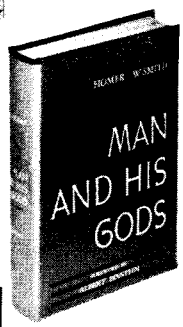

Man's religious beliefs brilliantly examined from a naturalistic point of view. This encyclopedic study has been ranked with Frazer's *Golden Bough.*
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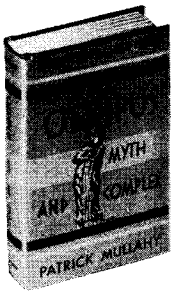

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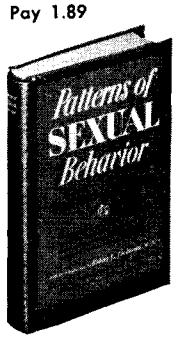

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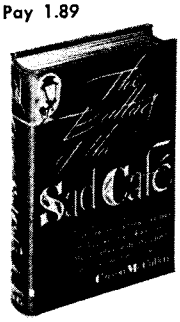

This large volume contains *all the novels* and a *selection of the finest short stories* of one of America's most perceptive writers.
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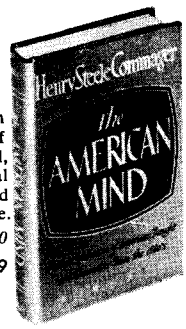

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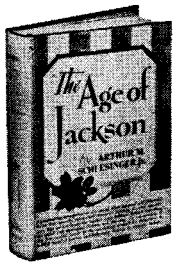

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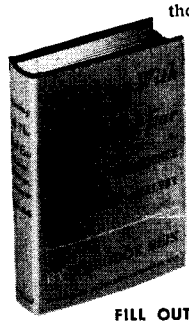

Sub-titled "The Inner Experience of a Psychoanalyst," Dr. Reik's book has been favorably compared with Freud's *Interpretation of Dreams.*
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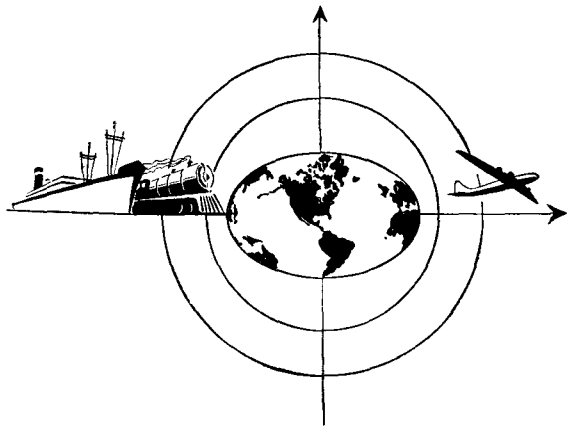

THE REPORTER'S NOTES

After the Long Wait

The same voice that was heard at the Guildhall at the end of the war, then again in London urging Europe to unite, spoke from Capitol Hill on Inauguration Day. The three speeches carried the same message: The nations of the free world have nothing to fear if they know how dependent they are on one another and act accordingly. "We [Americans] view our nation's strength and security as a trust, upon which rests the hope of free men everywhere." Millions of men and women have been waiting to hear from General Dwight D. Eisenhower exactly the kind of message which at long last he brought forth the day he was inaugurated President of the United States.

Probably because the wait was so long and the speech so different from the President's campaign utterances, the public's reaction was—at least to judge from the press—rather perfunctory. But it was a great and noble speech, which expressed the best that is in the speaker himself and in the people he leads. Yet even among his most outspoken supporters the prevailing opinion was that the inaugural contained just about what could be expected: generalities, noble intentions, and the like. On the Democratic side the opinion prevailed that the speech could as well have come from Truman or Stevenson. For once, Colonel McCormick agreed wholeheartedly with the Democrats.

From certain columnists and commentators who are professionally in the know and who, by and large, are quite friendly toward the President, the warning has come not to take his noble ideas too literally and to wait for his forthcoming political pronouncements, which, they say, will be far more in line with his campaign speeches and his advisers' opinions. They may be right, and of course the President must reconcile his ideas with those of Senator Taft. Moreover, every reader of pro-Administration papers, which means the overwhelming majority of the American press, is constantly reminded of who the President's speech writers are.

Nobody says it just this plainly, of course, but a notion is in the air that it would be silly to get excited over the eloquent writing of Emmett Hughes.

In spite of our political anabasis from Eisenhower to Stevenson in mid-campaign, we want to state as positively as we can that the reactions to the President's speech have been, in the main, unfair and petty. We would also like to see this particular topic, ghost writers, eliminated from the reporters' coverage. There is no political leader of any size in our country whose house is not haunted, and during the campaign we have had too many ghost-written tirades against ghosts.

We say it again: The President has inaugurated his Administration with that great, stirring speech which millions of citizens thought he would make when he started campaigning. Yet what the President said in the most solemn moment of his life sounded somewhat improbable both to his supporters and his opponents. Why?

We suspect that the "why" is to be found in two miscalculations the General made when he decided to become a candidate. He underestimated his hold on the people, and he overestimated the role the parties played in the life of our country. He did not realize that the demand for his leadership came from an extraordinarily large number of people in both parties, or in no party. Never so much as during the present emergency has there been such a dire need of a moratorium on partisanship.

It must be said immediately that if the General overestimated the role played by our two-party system, so did nearly everybody else. When the campaign started, no politician of any stature could be found to offer new channels of expression to people who wanted to move away from decrepit party machines and rally around a new leader. As the campaign progressed, the independent organizations of citizens for each candidate proved to be the tails that wagged the dogs. Both dogs were pretty sick, but they are still considered sacred and immortal.

The Constitution can, of course, be amended: Indeed, the Twentieth Amendment was passed in less than one year. But our party system, which the Constitution did not foresee, seems to be above any danger of amendment. Its preservation is based not on legal principles that can be debated, or on ideas that can be refuted, but on overpowering superstition. At every Presidential elec-

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tion, and to a greater degree each time, on both sides the tail must take care of the dog and carry it along. But we are told incessantly that not only is the two-party system the bulwark of our freedom, but that the two parties must keep the features they have kept for generations, one of them being called, of course, Republican and the other Democratic.

Eisenhower, the political apprentice, unquestioningly accepted the superstition and all the rules and taboos it implies. When he started his campaign he transferred to the party the loyalty that during his whole life he had given to the nation, talked of crusades and of Cromwellian armies. After having won the nomination he rushed to console Taft—a man infinitely more antagonistic to what he stands for than Stevenson. In victory he dragged his party—all of it—with him to plague him.

PERHAPS the reputation the President has acquired as a great compromiser, as a man who can smooth out all conflicts on his team, is a gratuitous concoction of public-relations experts. Perhaps he is one of those men who, no matter where he goes, always takes the hard way. Throughout his term of office he will pay a very high price for learning that there is a difference, a very big one, between nation and party. He will also learn, again the hard way, that there is a very great difference between business and government.

This is why there is such suspense and uncertainty, in spite of the fact that we have in the White House the very man whom at one time or another the great majority of Americans wanted to have there. This uneasiness has been increased by his first acts concerning appointments to administrative or diplomatic positions, for it is difficult to fit the President's actions within a consistent pattern. We have now probably the best Treasury Department the nation has had in decades, while in other branches of the government—particularly those dealing with military services—some of the appointments have been dismal. As to his choices of American ambassadors to foreign countries, the most charitable thing one can say is that some of them are unbelievable.

It is just as baffling to see how, when the President spoke the way free men all over the world have been wishing and praying he would speak, the reaction has been, to say the least, lukewarm and uneasy, as if this had been a last piece of campaign oratory.

YET WE ARE happy that these words have been spoken by the President to the nation and to the world. We are confident that they are a straight expression of his beliefs. A man who talks that way—the same way he talked at least twice before—has in himself the faith that will make him grow in his job.

And we love to be among the apparently not too many people naïve enough to be deeply moved by what the President said.

SOUTH AFRICAN LULLABY

Hush, my baby, hush little white,
Have no fear of the coming night,
Shut your eyes and you'll abide
In the peaceful land of Apartheid
Where the wheels are stopped and the clock turned back
And the lord is white and the slave is black,
Hush, my baby, hush.

Hush, my baby, hush little white,
Close your eyes to the howling night,
Safely soon you'll dwell inside
The sovereign state of Apartheid
Where the dark and dangerous liberties
Hang by the neck from fever trees
And cries are stilled and hope forbidden
And the heart of man with terror ridden,
Hush, my baby, hush.

Hush, my baby—when you are grown
You will learn to walk alone,
The world is one, the world is wide
Beyond the walls of Apartheid,
But in your white and diamond state
You will walk alone in hate
And none will rally to your side
When the overwhelming tide
Breaks the walls of Apartheid—
Hush, my baby, hush.

—SEC

Humphrey and Hemingway

In this issue we publish a most favorable report on the new Secretary of the Treasury, Mr. Humphrey. In so doing we make no claim to originality; quite a number of other publications have praised him—one of them being *Life*, a magazine which certainly could be expected to present Mr. Humphrey at his best. We read the *Life* article and were more than startled when we found it contained the following brief report of Mr. Humphrey's opinion of Ernest Hemingway's *The Old Man and the Sea:* "Why would anybody be interested in some old man who was a failure and never amounted to anything anyway?"

It is not that Mr. Humphrey's views on the old fisherman surprise us greatly; certainly we do not take them tragically or deduce from them that Mr. Humphrey is callous or hardhearted. They belong to the smoking-car or parlor-car school of literary criticism. They prevail, to no one's discredit, among men who boast of no particular literary sophistication.

We are grateful, however, that in the big government of our country there is no equivalent to that European institution called the Ministry of Education. If we had such a Ministry here, a businessman no doubt would now be heading it, and—again without meaning any offense—the thought of having a man of Mr. Humphrey's literary taste in charge of the country's education makes us shudder.

IN THIS slight episode what really surprises us beyond measure is the fact that the editors of *Life* did not edit out that passage—it was prominently in parentheses—from their story. They must have known that it would make Mr. Humphrey look silly. What was the matter with them? Haven't they got a pencil?

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CORRESPONDENCE

SPEAK UP, JOE

To the Editor: On January 6, Joe McCarthy handed to Washington newsmen photographic copies of "thank you" letters from President Truman and Senator Mike Monroney (D., Oklahoma) to Henry W. Grunewald, described as an influence peddler and political fixer. It may have occurred to other readers of *The Reporter* that Wisconsin's junior Senator has inadvertently turned the same messy limelight on several no less conspicuous Republican recipients of Mr. Grunewald's favors: notably former Senator Owen Brewster (Maine), Senator Styles Bridges (New Hampshire), Senator Milton R. Young (North Dakota), and Vice-President Richard Nixon (California).

If McCarthy wants to impress the American people with the nobility of his motives, why doesn't he also call the names of the Grunewald campaign beneficiaries on the Republican side? As one Californian who grows apprehensive at the thought of our youthful Vice-President being at only one remove from this great nation's highest office, I can honestly say that I deeply regret his associations with the Grunewalds and China lobbies on the Washington scene, not to forget his admitted acceptance of a personal fund of $18,235.

GUY W. FINNEY
Burbank, California

NAME YOUR SECONDS

To the Editor: Although I agree with your editorial policy of including television criticism in some issues, I don't believe that Marya Mannes' viewpoint does the medium justice. Impressionistic criticism rarely gets to the core of its object. To find, as she does in your issue of January 20, malevolence in Miss Rountree and Mr. Spivak, to be attracted by "a spiritual . . . intellectual and . . . sensual" personality in Bishop Sheen, who is said to offer "truth . . . luxuriously attired," and to be made languid by Alistair Cooke's "urbanity and detachment" is hardly of much critical value.

I decidedly do not find the hour-and-a-half length of "Omnibus" too much. On the contrary, it is the only television show which appeals through its content, rather than by providing thrills. If Marya Mannes' "pulse does not quicken in expectation of what is about to be revealed," it is probably due to the fact that she is not interested in the material the show offers. I myself believe it is a rare experience to see and hear our great living artists, such as Faulkner, Sibelius, and Sandburg.

The points in favor of the programming of "Omnibus," including Alistair Cooke's relievingly relaxed approach to the microphone, cannot be discounted because the show has won commercial sponsors. I think that fact perhaps only proves that the advertising agencies who select television material for the mentality of a twelve-year-old had better take another appraisal of the American people.

Miss Mannes claims that "Omnibus" is "better than eighty-five per cent of television programs" but that "it could have been—should be—much better." She fails to state, however, what constitutes a good television show. From her feelings about this show I surmise that the faults she finds are her own.

E. MARIETTA CHICOREL
Highland Park, Michigan

To the Editor: Mr. Edward Swahy, whose letter you published in the January 20 issue, implies that my criticism of *Limelight* was colored by my views on Chaplin's "political and social nonconformity." The charge is untrue and there is no phrase in my piece to justify it. I resent the slur to my critical honesty.

ROBERT HATCH
New York

PRAISE INDEED

To the Editor: Congratulations for an excellent report on the important subject of wiretapping by William S. Fairfield and Charles Clift (*The Reporter*, December 23, 1952, and January 6, 1953).

To my knowledge, there has not been in any popular publication a clearer, more interesting, and more penetrating presentation of the manner in which wiretapping interferes with the fundamental right of privacy. Although the American Civil Liberties Union is active in fighting invasions of this Constitutional right, Messrs. Fairfield and Clift came up with some new facts of which we hadn't been aware. The series will prove helpful to organizations working in this field, and to private citizens who need information on a way in which the Bill of Rights can be violated.

The Reporter is to be congratulated for performing a public service.

ALAN REITMAN
Assistant Director
American Civil Liberties Union
New York

EVERYTHING'S JUST DANDY

To the Editor: In your January 6 issue you state that Harold R. Isaacs is a specialist on colonial problems. To this might have been added his aptitude for gross exaggeration.

I refer in particular to his statements pertaining to the gold mines in South Africa and this gem: "Their [African workers'] facilities [are] minimum for health." For the benefit of those readers who are inclined to accept the utterings of such "colonial specialists" as the sober truth, may I point out a few small discrepancies. Not only are the medical services which the African miners enjoy second to none (I challenge Isaacs to disprove it) but the Chamber of Mines hospital serving these needs is also looked upon as the finest and most modern in the entire Union of South Africa.

No African is sent down the mines before his physical resistance is built up by special diets incorporating foods of high calorie content. During a tour of the mines in 1950, I visited the vast kitchens where cooks specially elected by the miners themselves were preparing vast quantities of food under the most hygienic conditions. At the time of my tour there was a meat shortage in the Union, and whether you were black or white, meat simply was not to be had on the open market. Imagine our utter amazement when the cooks opened the enormous cooling rooms, and there, hanging row upon row, were enormous carcasses of beef which would have sent housewives scrambling madly for choice cuts! Need I say more?

I have come to accept the criticisms leveled at South Africa as merely a trend with everyone jumping on the band wagon. Quite frankly, those persons who shout the loudest about democratic principles remind one of a woman who protests her virtue when it was not even questioned.

RHODA BARRY
South African Student
University of Illinois
Urbana, Illinois

THE WISDOM OF YOUTH

To the Editor: Although I am only thirteen years old, your articles in the January 20, 1953, *Reporter* on the role of the Democrats as the opposition party in the future interested me profoundly. Now that a party afflicted by the evil sores of McCarthyism and isolationism generated by its extreme ranks is in control, I feel that the role of the Democrats is of the utmost importance. They must exercise restraint and understanding and reject the thesis of opposition for opposition's sake. The role of any opposition is that of a check on the evils of the majority in power and a recognition of the merits of that majority. The opposition must remain free from an anarchist and mob psychology, creating an intelligent and acceptable alternative. By being a sensible and intelligent opposition, the Democrats will receive the respect and possibly the support of the people. The opposition is the majority party's conscience, compelling it to examine itself and its policies, its merits and demerits, and to make way for concrete and sound advice and improvement.

There is my definition, in part, of the role of the opposition as it should be. I am sure that the Democratic Party, regardless of the threat from its Southern flank, will take on that role well.

PETER CONE
Flushing, New York

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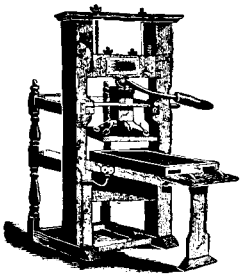

WHO— WHAT— WHY—

THE WORD "inflation" has become taboo, but people in the know are worrying about the possibility of a recession and are making their guesses as to when and under what circumstances the nation may keep its rendezvous with economic destiny. What will happen, perhaps in 1954, perhaps not till the middle of 1955, when our expenditures on armament begin to taper off? Will civilian consumption rise to the occasion and make up the difference? Will the exceedingly complex machinery created by the New Deal to cushion and counteract a recession be able to do the job?

The problem is such a serious one—it affects all of our pocketbooks—that *The Reporter* has only been waiting for the election and post-election excitement to die down before taking its turn at peering into the future.

This is why we have asked the co-operation of two outstanding economists, both signally courageous in that they specialize in the hazardous business of forecasting. Aware of the fallibility of the "dismal science," **Gerhard Colm** analyzes the various trends that may make for a depression or may halt it. He makes it very clear that he does not consider economic analysis as mere crystal gazing—it is itself a tool that can bring about economic stability. Dr. Colm, former professor of economics on the graduate faculty of the New School, has worked with the Council of Economic Advisers in the Executive Office of the President since 1946.

Our second economist, **Paul A. Samuelson,** reports on the economic weapons that the new Administration will find in its arsenal, weapons that can make the next recession—if and when it comes—very different from the depression of the 1930's. Mr. Samuelson has been professor of economics at the Massachusetts Institute of Technology since 1940. He was consultant to the National Resources Planning Board from 1941 to 1943 and to the War Production Board in 1945, and has been consultant to the U.S. Treasury since 1945.

THE Secretary of the Treasury is the man who has at his disposal most of the anti-depression weapons, and we are happy to be able to furnish our readers with a most reassuring report on George M. Humphrey. As described by **William H. Hessler,** Mr. Humphrey is a hard-working, solid middle-of-the-roader. He has been trained and has made his career in a business which certainly cannot be considered small but does not belong in the mammoth category. He cannot be located with precision in the political spectrum. Certainly he shows no resemblance to Henry Wallace, who has also been a businessman in his day, but it is equally certain that he is no Sewell Avery. Mr. Hessler, a regular contributor to *The Reporter* on political and strategic subjects, is an editor of the Cincinnati *Enquirer* and the author of *Operation Survival.*

THE TEXTBOOKS on Constitutional law say that Congress, the legislative branch, makes the laws and the courts enforce them. This classic line of demarcation, laid down by Montesquieu and followed by the Founding Fathers, has recently become somewhat blurred. The attack on this separation of powers has come from both Left and Right. Until a few years ago the so-called realistic school of jurisprudence flourished in this country, its main support coming from progressive or liberal elements, which emphasized the lawmaking function of the courts. The pressure now comes from the Right: it is shown in the increasing tendency of the lawmaking bodies to act as courts of law. We refer, of course, to the activities of Congressional committees.

Whether the tendency to make Congressional committees into something between courts of law and vaudeville shows comes from Right or Left—remember the midget on J. P. Morgan's lap?—it is an ominous tendency. How dangerous this tendency can be is best seen in the fact that even the best of them, the useful King Committee, can go astray. That is why we have asked two lawyers who have worked with it—**William H. Berman** and **Walter E. Hoffmann**—to provide our readers with a detailed analysis.

Gilbert Bailey, our informant on ex-Presidents, is with the Sunday Department of the New York *Times.*

THE LAST ARTICLE we published on politics in Italy, months ago, presented a somewhat discouraging picture; we are glad that **Claire Sterling's** present report is optimistic. It is true that more than a third of the Italians have practically disfranchised themselves by voting for the Communist or neo-Fascist parties. Their interests cannot be furthered by the representatives they send to the Italian Parliament, who cannot do anything but ruthlessly oppose the Government. Yet the Italian democracy is still alive and kicking. The latest would-be Duce seems to be fizzling out; in the Christian Democrats, the nation's leading party, a true passion for democracy is deeply rooted. This year Italy faces national elections which the anti-Communist and democratic parties seem likely to win by a small margin—an uncomfortably small one.

Claire Sterling, our regular Italian correspondent, formerly wrote for *The Reporter* under her maiden name, Claire Neikind. She married the novelist Tom Sterling (*Strangers and Afraid*) and emphatically did not join the Lucy Stone League. The Brooklyn-born Mrs. Sterling is certainly not the only American woman with the same first name who cherishes an assignment to Rome whenever she can get one. We can assure our readers that our Claire knows Italy thoroughly.

IN THIS installment of our "Long Morning After" series, it is a Republican's turn to answer the question "Why did Ike win?" We are happy to open our pages to a Republican spokesman, particularly since we happened to disagree with him during the campaign. We see no reason to deny the majority a right to be heard in *The Reporter. This magazine is not the house* organ of any party or faction.

Hugh Scott is particularly qualified to speak for Republicans. Elected to Congress from Pennsylvania in 1940 and National Chairman of the Republican Party in the 1948 (Dewey) campaign, Congressman Scott served in the armed forces during both World Wars and saw combat service in 1950 in Korea while on temporary Naval duty.

Richard H. Rovere has written not only a review of the new Sidney Hillman biography but a review of Sidney Hillman's position in American folklore. Mr. Rovere writes regularly for *The New Yorker.*

WE ARE happy to announce that **Harlan Cleveland,** who until now has been Assistant Director of the Mutual Security Administration, will join *The Reporter* staff next month. Mr. Cleveland will be closely associated with the Editor and Publisher and will assist him in both functions.

Harlan Cleveland, former Rhodes scholar, has been Vice-President of the Allied commission in Italy in charge of its Economic Section (1945-1946). After a tour of duty in Europe and China for UNRRA, he was selected by Paul Hoffman as Director of the ECA program for the Far East.

IN OUR next issue we shall present an appraisal of the present condition of the nation's alliances, another set of tools which the new Administration finds at its disposal. Again the question is not one of substituting a new set of tools for the new workers but of how the new workers will use the tools that go with the job.

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The Reporter

A FORTNIGHTLY OF FACTS AND IDEAS

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Danger Signals

THE DEMOCRATS came into office, twenty years ago, at a time when nearly twenty-five per cent of the labor force was unemployed. The Republicans come in when the labor force is much larger but less than two and a half per cent of it is unemployed. There is room for considerable disagreement about the past: Which of the two, the New Deal or the war, did the more to make the percentage dip from 25 to 2.5? But for the future, the Eisenhower Administration will unquestionably be doing well if, in the face of the danger signals now visible, it maintains the nation at its present level of prosperity and employment.

The danger signals are quite clear, for some time during the next twenty-four months defense spending is likely to taper off. If Stalin should impose on us an increasing measure of war, all bets are off and nobody is going to worry about unemployment. If Stalin—what is inconceivable now—should succeed in convincing the peoples of the free world that the peace he is preaching is consistent with their security and their honor, then the problem that would follow a sharp contraction in military expenditures would assume momentous proportions. Things being as they are, we can take no chances. We must count on continued tension short of war, and on the continued need for sizable military forces in the free world, armed with the latest, most expensive weapons.

In our present condition of stabilized international insecurity, we must remember that while defense expenditures are soon due to reach their peak, spending by businessmen for investment is already at an all-time high, and will probably start tailing off before very long. Who will make up for both diminished military expenditures and business investment—and how?

Either consumers or the government, and probably both, will have to take up the slack. Consumer spending can be prodded by "good old American salesmanship," as Walter Williams, the new Under Secretary of Commerce, has put it. Government spending—of course for nonmilitary purposes—can be forced by present or threatened large-scale unemployment. But can we be sure that consumers and government, or either of them, will act promptly and adequately to keep production going before things get worse?

There are those who, made confident by recent history, point out that the predicted depression after the Second World War did not materialize. What they forget is that when we emerged from the war there was the most urgent need for capital replacement and improvement in almost every sector of our economy. There was plenty of new productive work to be done. Moreover, people well provided with war savings were prepared to spend all their current income, and even to dip into what they had accumulated during the war.

Now most of our accumulated savings are salted away in insurance and mortgages, or earmarked for future use in meeting time payments on cars and television sets. There is no great backlog of demand.

A NOTE of lugubrious optimism has come from people supposed to be rather close to the Administration, the editors of *Life* and *Fortune*. A 1929-style depression, they say, won't happen again. They rely heavily on the stabilizers, active and passive, that have been built during the twenty years of Democratic rule. The editors of *Fortune* are reconciled to the prospect of an economy which in 1955 is as "big"—that is, produces the same amount of goods and services—as the economy of 1952. "The present so-called 'full' employment is quite unlikely to continue indefinitely," the editors of *Fortune* say. They predict that in 1955 some five million people might be out of work.

During the last weeks of his campaign, General Eisenhower expressed opinions quite different from those of the editors of *Fortune:* "Never again," he said on October 20, "must the crime of mass unemployment be visited upon our people." The same day, he added: "This crusade stands pledged at the first sign of any approaching thing that could be called economic collapse or depression, to mobilize every power of government, of private economy, of the local governments and state governments to prevent it. . . . And we know that to make certain those signs do not come, we must maintain a country of high wages, high industry, high productivity, and great consumption."

If crisis came, would the Eisenhower Administration go back on these campaign pledges and stake its political survival on the self-stabilizing nature of our economy? Would Congress, whose independence of the Executive is already apparent, take those positive steps involving taxes and spending which are the exclusive responsibility of the legislative branch of our government? "Too little and too late" might be the formula for political suicide.

Our government leaders can avoid a recession, but only if their optimism is based on something more than reliance on built-in New Deal-made stabilizers, or "American salesmanship," or the willingness of five or more millions of unemployed to live—presumably—on relief.

Knowing how far it is safe to trust the automatism of our economy, our government leaders must take the controls firmly in hand, and be ready for any emergency.

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A Depression? It All Depends . . .

GERHARD COLM

Ask the next economist you meet, "Will there be a depression during the next four years?" and there is a better than even chance that he will say something like: "Not necessarily. . . . It all depends. . . ." If economists are somewhat leery of making forecasts, their caution is understandable. Their record has not been perfect, to put it mildly. After predicting a postwar depression that did not happen, the economic profession is still licking the wounds to its reputation.

Given this well-learned caution, it may seem surprising that so many attempts to read the future course of the American economy should have reached the headlines in recent weeks. The outgoing Truman Administration, in particular, bequeathed to its successors a sizable body of predictions and warnings, contained in the Budget, the President's *Annual Economic Report* and its underlying review by the Council of Economic Advisers, and a Department of Commerce report on *Markets After the Defense Expansion*. At the same time, a number of private forecasters have taken their turn with the divining rod.

In the world as it is today, it is hazardous for an economist to predict international and domestic political developments, let alone their economic consequences. He therefore prefers to present economic forecasts of an "iffy" character, which assume rather than predict certain political factors. An economic analysis based on the assumption that world tension will continue without a major war and without a real settlement in the near future should not be confused with a prediction.

There is, however, also another "if" in most economic forecasts. Let us suppose that an economist predicts a depression. What he means is that there will be a depression unless something is done to prevent it. If his warning is heeded and people take preventive action, the prediction turns out to be wrong. If they do not take action and depression ensues, the forecaster was a Cassandra—and Cassandra did not win any popularity contests.

Projections vs. Forecasts

The way out of this difficulty is a different type of forecast, which predicts the *potential* increase in production and a possible composition of demand which would permit balanced economic growth. This should properly be called a "projection" rather than a forecast. During the war several such projections were made of the potential size and structure of a postwar full-employment economy. When we did in fact maintain full employment, some of these projections turned out to be remarkably accurate.

Such projections are useful because they can help to identify needed adjustments in the course of economic growth. Right now, they can help us make the smoothest possible transition from the build-up phase to the maintenance phase of our armament program. By pointing out needed adjustments they can be of value in the formulation of policies. They can also dramatize the fact that there will be a depression unless something is done to prevent it. But in themselves they cannot foretell whether there will be a depression.

FULL EMPLOYMENT

"Under the Employment Act, full employment means more than jobs. It means full utilization of our natural resources, our technology and science, our farms and factories, our business brains, and our labor skills. The concept of full employment values ends as well as means; it values leisure as well as work; it values self-development as well as dedication to a common purpose; it values individual initiative as well as group cooperation. In the broadest sense, full employment means maximum opportunity under the American system of responsible freedom." — *The President's Economic Report, January, 1953.*

In talking about the short run—the next year or so—economists still hazard unqualified forecasts. Economists in public and private service are nearly unanimous in predicting for the immediate future high employment and a continued firmness in the market, with no substantial degree of inflation.

These forecasts are based largely on the expectation that Federal expenditures will rise further but that the rate of increase will slow down. Not much further rise would occur if the new Administration should cut expenditures, for instance, in the foreign-aid program, and if it should adopt some further stretch-out in the military-procurement program.

Of course, if the rate of rearmament should be stepped up as a result of a new Soviet threat, inflation would again be a danger; but there is no basis for expecting such a change in the near future.

The Council of Economic Advisers, in its *Annual Economic Review*

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of last month, saw a danger of inflation only as a possible result of reducing taxes prematurely. President Truman's last budget message also warned against early tax reduction and against incurring a large deficit at a time "when business activity, civilian employment, and national income are reaching unprecedented heights." There has been no suggestion that in the near future additional measures will be needed to forestall either recession or inflation.

The Longer Run

The Department of Commerce, the Council of Economic Advisers (except for John D. Clark), and most private economists think that there may be some difficulty just out of sight beyond the horizon. The Council cautiously expressed its concern: ". . . the Council does not challenge the proposition that a later period will confront us with more difficult tests of our ability to maintain stability and growth." Mr. Clark, in a "separate note" in the *Annual Review*, said in effect that he does not recognize the need for a longer-run analysis at all; but his view is shared by a very small minority of those who have spoken up on the subject in recent weeks.

For the longer run, the problem in a nutshell is this: We have the capacity to increase production year by year because both the size of the labor force and the productive equipment are steadily growing. This gives us an opportunity to satisfy urgent individual and community needs. But it also means that we must expand, because even a leveling out of production and demand at present levels would soon lead to large unemployment. Therefore, if demand for defense production and investment in defense industries should go down, other demand factors can be permitted to go up—indeed, must go up to avoid a slack.

Why is constant growth needed? Because both the size of the labor force and its productivity—what is produced per hour by men and women in the labor force—grow larger year after year in this country. If production and demand should level off at present levels, we would soon have mass unemployment.

On the basis of the present trend in the size of the labor force, hours of work, and output per man-hour, the potential rise in total production has been estimated by various authorities as in the table below:

Total Production of Goods and Services[1]
(In Billions)

Actual	
1929	$168
1939	180
1950	294[2]
1951	329
1952	338
Projected	
1955 (Dept. of Commerce)[3]	$365
1955 (CEA—*Review*)	370
1960 (National Planning Assn.)[4]	425
1963 (*President's Economic Report*)	$475-500

[1]Gross national product measured in 1951 prices.
[2]Annual rate based on first half.
[3]*Markets After the Defense Expansion*, December, 1952.
[4]*The American Economy in 1960—Economic Progress in a World of Tension*, Planning Pamphlet 81, December, 1952.

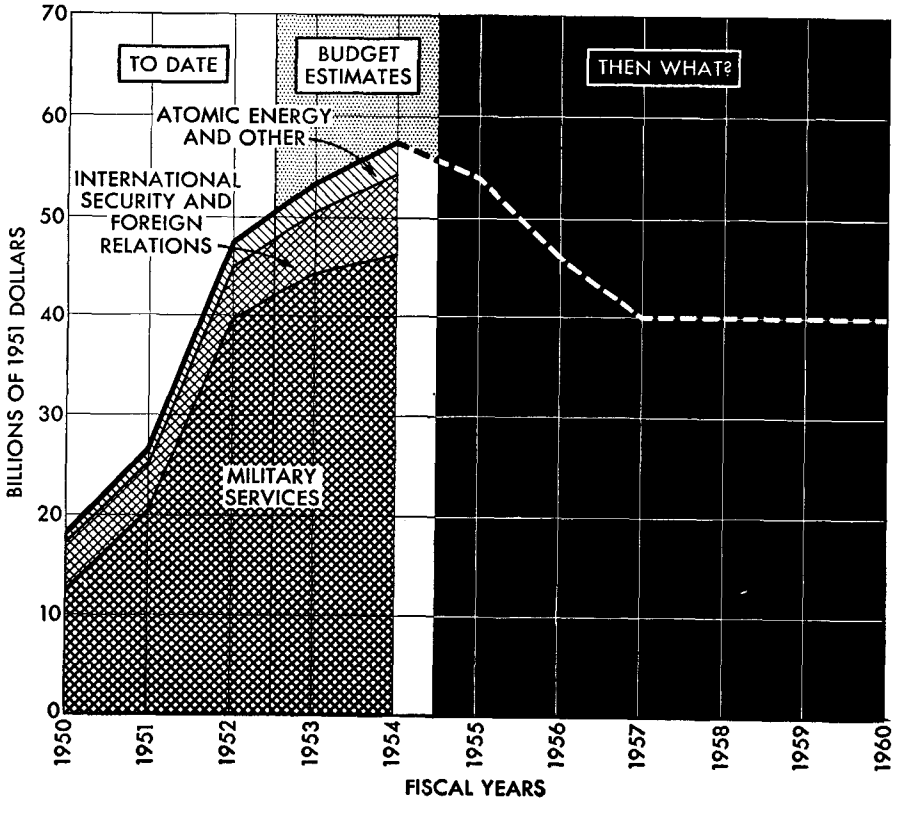

Chart 1: The cost of national security

The projected rate of growth shown in this table is by no means fantastic; it is in line with historical experience. Total production in the United States has more than doubled during the last twenty-five years, and an even quicker pace may be expected in this age of organized research. The outgoing chairman of the Council of Economic Advisers, Leon Keyserling, has emphasized that the projections in his own *Review* fall short of what could be accomplished by sustained effort. This growth can be realized, of course, only if there is a corresponding rise in consumer demand to match productive capacity.

Growth and Adjustment

In the assumptions underlying all official and most private projections, national-security spending will reach a peak toward the end of 1953. (The national-security program includes military expenditures, foreign aid of all kinds, the atomic-energy budget,

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and a few related defense programs. It includes replacement of obsolete weapons and is supposed to allow for the development of new weapons.) As 1953 closes, the build-up phase of the present program should be nearly completed and the program would first level off and then begin to move downward toward the level needed only to maintain the military strength in being. The Budget message indicated that this level may be reached at best two or three years from now (Chart 1). A substantial increase or substantial lowering of present defense goals would, of course, change the economic conclusions that are derived under present assumptions.

A decline in expenditures for the national-security program would be most desirable. It would permit us to devote more resources to many urgent individual and community needs here and abroad. But if defense demand shrinks, other demand —consumer demand, demand for business investment, or government demand for other than defense purposes—can and must expand. The projections can give us some indication as to where the compensating increases could take place.

Business investment and residential construction have been running at very high rates recently. According to the Council's *Review* and the studies by the Department of Commerce and the National Planning Association, these investments will probably not quite maintain their present level during the next few years. This would mean their decline as a percentage of the growing national product. Private-capital export can at best make only a minor contribution to compensate for the expected decline in Federal expenditures. Thus, consumer expenditures and nondefense expenditures of Federal, state, and local governments remain the outstanding candidates for compensating increases.

Chart 2 demonstrates the problem of adjustment by comparing the actual composition of the gross national product for the last period before the Korean War with that of 1952 and the National Planning Association's projections for 1960 after the national-security program has reached the flat maintenance level.

The chart shows that spending by consumers was squeezed when defense spending rose. That does not mean that the total of this spending actually had to be curtailed. It does mean, however, that consumer spending could not rise in proportion to the growing total production, and therefore its share was reduced from seventy per cent before Korea to sixty-three per cent last year. Consumer spending was held back by a combination of four factors: a substantial increase in taxes; price rises that cut back the spending of people with relatively fixed incomes; some tightening of consumer credit; and increased saving, particularly by people whose incomes went up.

The problem for the future seems to be simply to reverse the process that has squeezed consumer income during the last two years. But before discussing this "reversal" we must consider the period in which this adjustment may become necessary.

Problem of Timing

According to our assumptions, expenditures for national security, which will reach a peak late this year, will remain high in 1954 and 1955. Whatever decline may occur in these years could well be offset by a rising trend in state and local expenditures for schools, hospitals, roads, and other urgently needed undertakings.

The Department of Commerce estimates that the increase in nondefense expenditures of the government, particularly on state and local levels, will much more than offset the beginning of the decline in defense spending. According to the Commerce Department projection, it appears that the adjustment in the ratio of consumer spending may be necessary only after the year 1955. The Council's *Review* envisages the need for an adjustment by 1954 and 1955. This apparent discrepancy can be explained by two factors:

1. The projections use expenditures for goods and services as a measure of the defense program, but the economic impact of a government program does not coincide exactly with the expenditures made for it. For example, much of the impact of an aircraft-construction program occurs soon after the orders are placed. That is the time when the manufacturer buys the materials and makes all arrangements for swinging into production. Expenses at this stage are met only in part by advance government payments; the remainder, usually a considerable portion, is met by the firm's liquid assets or by credit. Hence government expenditures at this stage understate the actual economic impact. When the planes are delivered and payment from the government is received, some part of the funds may be used for replenishing the firm's

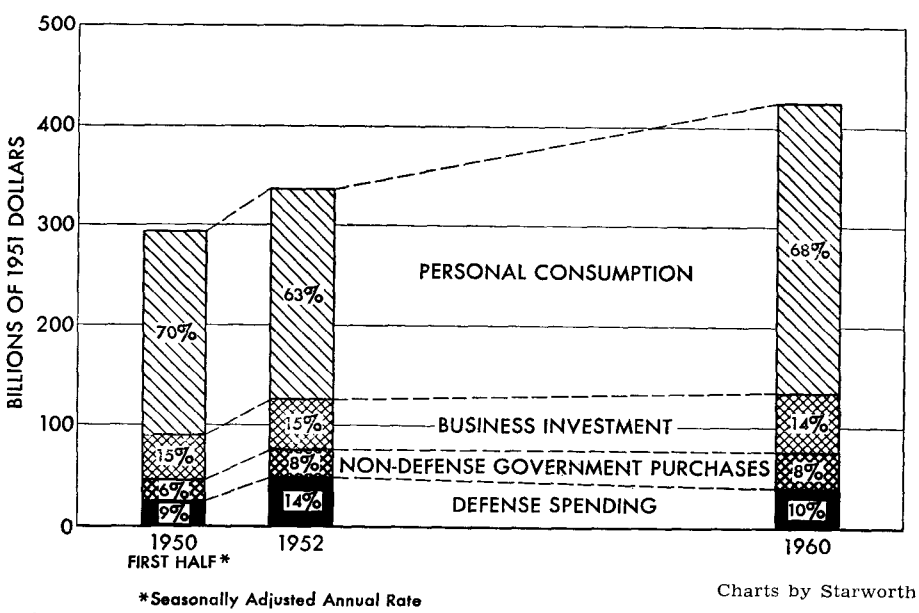

Chart 2: Prospect for consumers: a larger share of a growing volume of production—IF

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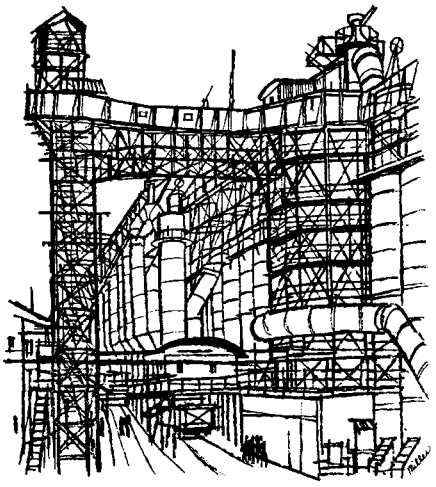


liquid assets and for repaying private debts. At the stage of final delivery, expenditures therefore tend to overstate the economic impact. That is why, under the present schedule of the defense program, the peak of economic impact may occur earlier than indicated by the projected curve of government expenditures, and the decline in defense *activity* may occur earlier than the decline in defense *spending*.

2. It may well be that in 1954 and 1955 investments in plant, equipment, and housing may actually decline. In this case, an upward adjustment in consumer demand may become necessary not only to offset a decline in government demand but also to offset a contraction in demand for plant and equipment and housing.

Considering these factors, it appears prudent to expect that some need for adjustments may begin to make itself felt earlier than 1955.

A BIG imponderable—what businessmen *think may happen*—introduces still further uncertainty into this question of timing. Business anticipates expected economic events through changes in its policy of inventory holding and forward buying. If the underlying facts indicate the likelihood of firmness in 1953 and the beginning of weakness in 1954, it may well happen that business—in anticipation of weakness—will reduce inventories and actually create weakness in 1953. Business then would enter 1954 with low inventories that would have to be built up again. Such a situation would mitigate the weakness expected in 1954. This shows how economic forecasting by business may, under certain circumstances, affect the timing and character of the business cycle.

Adjustment Without Tears

Let us assume that the adjustment consists in the need to increase consumption not only in the absolute amount but also percentagewise—that is, from the sixty-three per cent of total output in 1952 to the sixty-eight per cent indicated in Chart 2 for 1960. What are the chances that such an adjustment can be made without going through a depression in the process? There are three possible answers:

1. In theory, it could happen that the decline in the ratio of defense spending and the increase in the ratio of consumer spending would be so closely synchronized that smooth economic growth would not be interrupted.

2. Most economists would assume that the adjustment will not be made in such a perfect manner and that some decline in economic activity and some rise in unemployment will occur during the transition. This decline would not be serious if what have been called the built-in stabilizers (unemployment compensation, farm price supports, etc.) cushion the downturn so that economic expansion will be resumed after a short interruption. This is the explanation Mr. Clark gives to the 1949 recession in his separate note attached to the *Economic Review*. He sees no threat of a downswing which could not be brought to a halt by these automatic stabilizers, and therefore he sees no need even to explore what measures could be used if a more serious situation should develop.

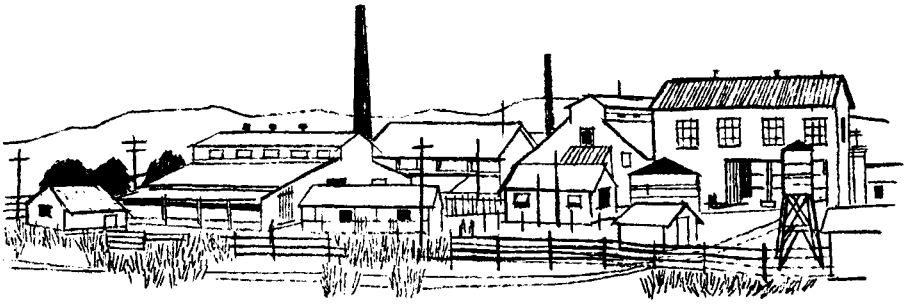
3. Mr. Clark's colleagues in the Council and most other economists do not share this absolute confidence in the stabilizers. In themselves they can cushion but not reverse a downward spiral. Most economists believe that the government must be ready to use affirmative policies to promote recovery and expansion when a serious downturn occurs.

ONLY a tiny minority of economists in this country hold that adjustments must be accompanied by distress, that heavy fluctuations and periodic unemployment are the price we have to pay for progress in a free society. These representatives of the dismal science can be found at both ends of the political scale. Extreme conservatives accept depressions with easy resignation; Communists look on them as the road to salvation.

Release of Purchasing Power

What, then, is the chance that the share of consumption that was squeezed from seventy to sixty-three per cent of the total gross national product during the period of the defense build-up will again rise to something like sixty-eight per cent as the share of defense demand begins to decline and the share of investment declines or remains stable?

As increased taxes helped hold back consumption during the defense build-up, tax reductions should become possible when Federal expenditures decline. But will taxes be reduced at the right time, in the right amounts, and in the right places to release needed purchasing power? There is another big problem of timing here. To catch up with the decline in defense activity, an early tax reduction is indicated. But an early tax reduction would create a temporarily enlarged budget deficit, something the new Administration might be loath to face. Uncertainty about the Soviet threat may also retard a decision to cut taxes sharply. It is always easier to reduce taxes



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than to reimpose them. On the whole, prudent policy may well prescribe going slow on tax reduction. The good thing—and the only good thing—about high taxes is that they can be reduced. This asset should not be dissipated too easily.

In any event, we certainly cannot expect that the whole adjustment in consumption will be brought about by reducing taxes. We must look for other methods of adjustment, especially those that businessmen can do something about themselves. This means prices and wages.

Prices went up during the defense build-up (more accurately, during the period of anticipation of the defense build-up). Why should they not come down in the period of transition to a lower maintenance level of defense spending? It is generally expected that some price decline will take place during that period. However, if the price decline is so drastic that it impairs reasonable profit expectations, it may lead businessmen to sell off their inventories, may aggravate the downturn in business investment, and may thus set off a deflationary spiral. The same result would follow if business, in trying to defend its profit margins, should succeed in curtailing wage rates in proportion to the price drop. This would hardly produce the necessary increase in consumer purchasing power.

Nevertheless, either a price decline or a great deal of improvement in the quality of goods will be necessary to increase the ability and willingness of consumers to buy.

Wage increases, properly timed and dosed, can support mass purchasing power as much as price declines can. As a matter of fact, in an economy of rising productivity, no smooth development is thinkable without a steady rise in wage rates. However, wage increases which force the general price level up or which impair reasonable profit expectations are as harmful to economic stabilization as drastic price reductions.

Thus, in a period of transition, some combination of price and wage adjustments could add to consumer spending as government spending is curtailed and business investment levels out. It would be a miracle, however, if these adjustments were so perfectly synchronized that any setback in economic activity could be avoided.

The Danger of Depression

The crucial issue is whether business will become panicky when the necessary adjustments result in some price decline and some curtailment in profits. Will business attempt to liquidate inventories in expectation of further price declines? Will business curtail expansion and modernization programs planned for future markets? Or will business, trusting that any setback will be of short duration only, go ahead with investment programs for the future? Some farsighted business leaders may even grasp the opportunity and step up their construction and modernization programs during this period of slack when the costs of construction may be lower than in boom periods.

The confidence of business depends to a large extent on what the government does, and (almost as much) on what business expects government to do when an economic setback occurs. Thus even in the so-called "private sector," readiness or lack of readiness of the government to act to combat a recession is a most important factor influencing business decisions. That is why the adoption of the Employment Act of 1946 by the majority of both parties was in itself an essential step toward economic stability.

The exact methods government has at its disposal to fight recessions are outside the scope of this article. Let me say only that a program must be prepared in full recognition of the changes in the economy and changes in the attitudes of the business community, labor, and government which have occurred during the last few decades. We need measures to prevent the next depression, not the last one.

WILL THERE be a depression? Not necessarily. It all depends . . . It depends on the attitudes of business and labor, and on what the government does. There need not be a depression even if defense expenditures are reduced drastically. We have a use for everything that can be produced and enough intelligence to keep the wheels turning. There is only one real danger. We may become complacent in our belief that in our changed economy, depressions no longer occur, or that any economic downturn would be overcome automatically.

A dynamic economic development always brings a need for adjustments. The great art which democratic society has to learn is to make these adjustments without causing the wild fluctuations that have given capitalism its "boom-and-bust" reputation. In this process, economic analysis will make its greatest contribution if it does not pretend to foretell depressions but instead is used as a valuable tool in the effort to prevent depressions.

THE SOVEREIGN CONSUMER

"This does not mean that we know enough to avoid economic fluctuations completely, or that we would want to even if we could. In a dynamic, free economy, the consumer is sovereign. Business is always seeking to anticipate the nature and intensity of consumer demand. In response to anticipated or actual changes, the economy is marked by a ceaseless shifting of resources from areas of lesser to areas of greater demand; existing industries are growing or contracting; new industries and products make their appearance, requiring new skills; prices and employment are being accommodated to the ebb and flow of demand; investment decisions are adjusted to changing conditions.

"This process requires the flexibility which is so characteristic of our economy. Some errors of anticipation are inevitable. The expansion of capacity may appear temporarily excessive, inventories may have been overbought, and waves of excessive optimism and pessimism may appear in the economy. These factors must lead to some fluctuations in the general level of business. This is the price we pay for a dynamic economy, and it is not too high for what we gain." —*The President's Economic Report, January, 1953.*

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Built-in Stabilizers Of Our Economy

PAUL A. SAMUELSON

THE NEW Administration is on the spot. It takes over at a time when the country is at its peak of prosperity. Almost anyone can find a job. Output is at its postwar high. Even prices have been generally stable for the last year.

In contrast, Franklin Roosevelt took over when the economy was at its lowest point. Things could perhaps have gotten worse. But, proclaiming that America had nothing to fear but fear itself, he was singularly able to capture the imagination of the people, stem the waves of pessimism that had swamped Hoover's well-meaning economic maneuvers, and establish a reputation for miraculously pulling the country out of the Great Depression.

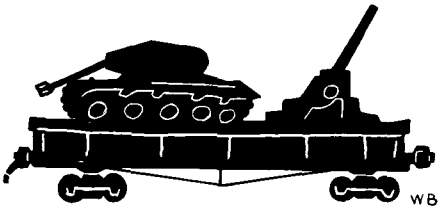
Is there a real danger that Eisenhower may share Herbert Hoover's uncomfortable role in history—that of taking over a prosperous-seeming economy just at a time when the clouds of depression are forming on the horizon? Less than six months after the 1929 inauguration, business activity had begun to recede from its peak, a historical parallel that may well haunt Eisenhower's advisers.

My own diagnosis makes me discount such a gloomy analogy, principally because I believe that various changes during the past quarter century have given our economy a built-in stability it never had before.

Flattening Cycles

Many forecasters have been expressing fears of a business downturn during the last half of 1953. They may possibly be right. Even if a downturn does not materialize so soon, the historical record of American business cycles does not reassure us that sometime during Eisenhower's four-year term another recession will not occur. The record shows that every so often merchants and manufacturers can scarcely help getting too eager in their inventory buying. While the boom psychology is on, businessmen's frantic attempts to order more goods stimulate too rapid an expansion; inevitably there comes a day when shelves are overloaded with goods and orders are canceled; this fills the warehouses of the man up the line and he has to lay off workers, thereby accentuating the drop in purchasing power and in business generally.

Exactly this happened in 1920-1921, in 1937-1938, and quite recently in 1948-1949. Something like the usual inventory cycle took place between early 1951 and the present time: After the immediate Korean War splurge, retail trade and civilian industries—such as textiles, shoes, and durable appliances—went into a mild slump from which they did not revive until after the settlement of last summer's steel strike. Few noticed this because of the defense build-up; but the evidence is to be seen in the chart of physical production if not in the national-income indexes.



IT IS interesting to compare the magnitude of these four successive inventory cycles. The 1920 collapse in prices was by far the sharpest. The 1937 decline in employment and activity was sharp, but by early 1938 many programs were under way to reverse the tide. After the Second World War the long-predicted recession did not materialize until the fall of 1948, and it then turned out to last less than eight months. Those of us who waited for depression bargains were disappointed: All that happened was that prices and wages stood still for a change rather than continuing to rise. As for the minor recession of 1951, any movement that only the specialists know about and that the public is generally unaware of cannot be very important.

Why this dramatic flattening of the ups and downs of business? Why is it that a new voter who has been alive some 255 months should have lived through only about thirty months of decline in general business activity? Clearly the war and the postwar emergency have had much to do with the recent buoyancy of the economy. Clearly too, the prewar improvements in business were made possible by the low level of the economy some twenty years ago, and even then were not sufficient to bring us back to anything like full employment prior to the war itself.

Defensive Weapons

Nonetheless there seems to have been a profound change in the inherent stability of the American economy. We read every day about the wonderful marvels of the electronic age—of the control gadgets that enable gunners to track an airplane from the deck of a tossing ship, of others that keep the temperatures of our rooms at specified levels. We have yet to realize that our economic system itself contains stabilizers that offer powerful resistance to extreme

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departures from existing levels in production and spending.

Today's *tax system* is closely geared to changes in national income. Even before Eisenhower confers with his Congressional leaders, any slump in spending and business activity will show itself in lower personal and corporate incomes and in lower collections of income and payroll taxes. Such reductions in tax payments by individuals and businesses automatically tend to cushion the decline. Conversely, when inflationary pressures increase, tax payments go up regardless of any change in tax rates, thereby tending to reduce purchasing power and to lessen the inflationary pressure.

Many of the *government expenditure programs*—such as unemployment compensation, social security, and farm-price supports, which both political parties uphold and are mostly here to stay—tend automatically to move against the current of business activity. When general demand expands employment, then unemployment compensation drops off; when unemployment develops, payments to the out-of-work increase without anyone's having to survey the situation or dream up politically acceptable programs.

The general scope of *government use of resources* is much bigger than it used to be. This huge inert element in the total tends to reduce the oscillations of the system. If the farmer and manufacturer at the same time become pessimistic and begin to contract their purchases, they react upon each other in a self-aggravating way. And you can blame neither one, for when one's income is cut and his purse is thin, he must spend less.

But government expenditure does not behave in this cyclically reinforcing way, in the United States or anywhere else. Regardless of the expected pattern of prices and markets, government continues to need battleships and bombers, judges and policemen, county agricultural agents and civil servants.

In theory, when business declines, the government could try to do what any business firm does. It could balance its budget, letting unemployment grow as it would. It could raise its tax rates and cut its expenditure activities down to its shrinking level of tax receipts. In practice, no national government in a democracy can ever do this. And none of Eisenhower's advisers want this to happen.

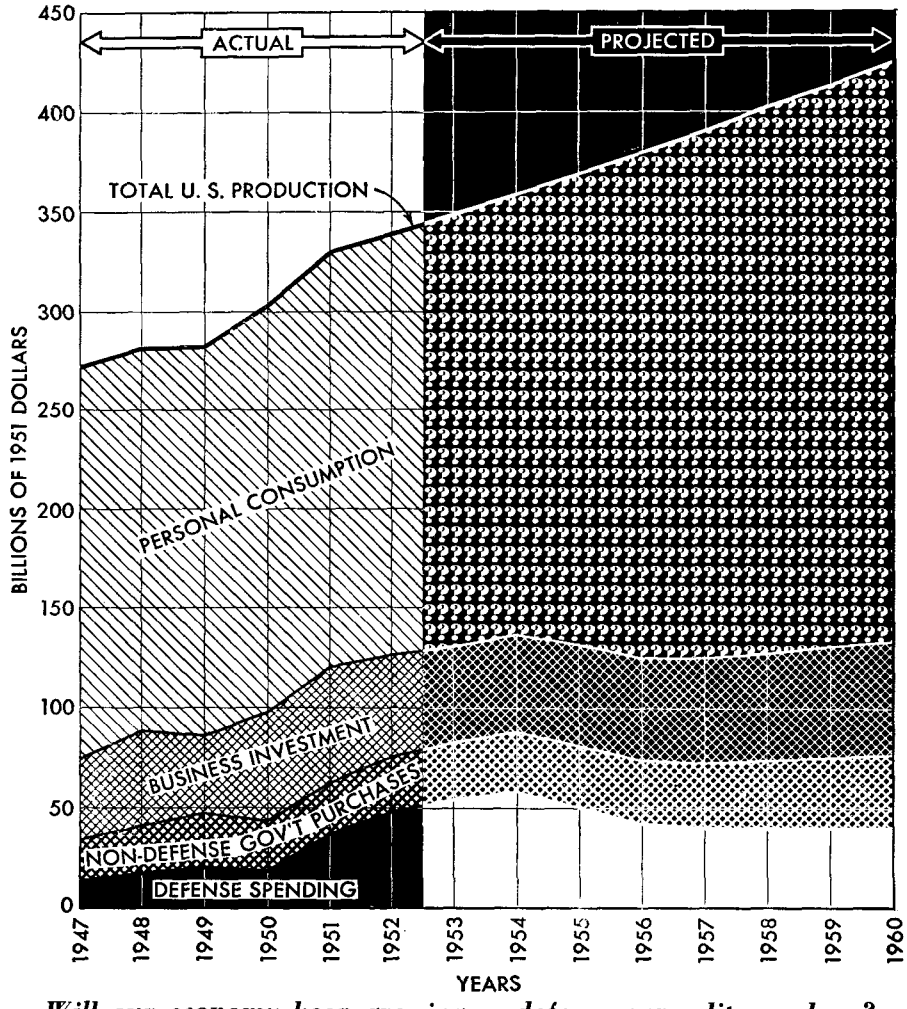
Offensive Weapons

By themselves, the built-in stabilizers can go a long way toward moderating short inventory swings in business. But alone they only undo part of the harm caused by other unstable forces. Suppose—as I believe far from inevitable—there should be a serious post-defense slump in private capital expenditures because of our tremendous accumulations of completed plant and equipment. Then the built-in stabilizers would have to be reinforced by more offensive measures.

Our Congressional and political attitudes have become such that I would regard such positive actions as being scarcely less probable than the purely automatic stabilizers. A recent survey of 373 readers of a business journal showed that ninety per cent of them expected the government to take such action if it became necessary. Among the electorate at large, there is this same general feeling. The campaign speeches of Eisenhower and the incoming Congress could not be more explicit: No one intends to sit idly by while a serious depression materializes.

Here are the principal public and private programs likely to be introduced if there is a serious continued drop in investment spending:

Tax reduction. Everyone loves Santa Claus, and both parties can be expected to vie with each other in reducing the currently high load of taxes if falling prices and employment make present tax rates unnecessary. The first to go, regardless of the business outlook, will undoubtedly be the excess-profits tax on corporations. As far as the personal income tax is concerned, the problem will not be to get Congress to make cuts but rather to persuade Congress not to disregard any threaten-



Will our economy keep growing as defense expenditures drop?

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ing inflationary upsurge. Already the Washington hotels are filled with business spokesmen seeking relief from the present high excises on liquor, tobacco, furs, cosmetics, transport, and so on. So these depression-fighting tax measures will not be overlooked. Indeed, we may be more likely to get large budget deficits from this new Congress than from its predecessors.

Credit control. The Federal Reserve authorities have come out from under the thumb of the Treasury and have been quietly putting the brakes on over-all monetary expansion, making credit harder to get and more expensive. From all we know about the new Eisenhower appointees, they can be expected to intensify action along this anti-inflationary front if prices should zoom. W. Randolph Burgess, formerly of the National City Bank and now Treasury consultant on management of the public debt, has repeatedly gone on record in this regard; Gabriel Hauge, Eisenhower's brain-truster and speech writer on economic affairs, is thought to be an exponent of the use of monetary devices; Marion Folsom of Eastman Kodak, the new Under Secretary of the Treasury, was head of the Committee for Economic Development, which has repeatedly espoused a stabilizing monetary policy; Chairman William McChesney Martin, Jr., of the Federal Reserve Board has been held over because he is known to oppose the Truman-Snyder pegged-bond policy that enabled banks blithely to sell their government bonds and lend the proceeds.

These measures of monetary contraction can be put into reverse if the problem becomes one of depression rather than inflation. The more these measures actually bite in on the inflationary side, the greater will be their likely effect in offsetting any developing slump. However, most economists believe monetary policy is less potent in coaxing out investment during deep slumps than in choking it off in time of boom.

Government expenditure programs. Few realize that the nondefense programs of the government have been running at a considerably lower percentage of the national income than before the war. There are many new cars on our highways; but because of the urgency for defense we have kept road construction down.

Similarly, if one examines the budget item by item and makes prewar comparisons, he will find that the growth of ordinary government expenditure has been much less, particularly in terms of the prewar dollar, than has the growth of the rest of the economy. I think this a good thing—to the extent that it reflects greater private uses of economic resources and to the extent that our high levels of business activity have released the government from any obligation to engage in made-work projects of dubious value. But to the extent that it reflects a determination to give highest priority to defense and security needs, any future lessening of those needs can be expected to have the following consequences: The money and resources released from the defense effort we shall want to spend in part privately on clothing, housing, appliances; in part, we shall want to spend them publicly on schools, roads, parks, beaches, research laboratories, and other construction.

There is no danger that there will be too few public works to spend our money on. But if Congress acts in time and if we are to get the most for our money, advanced scheduling of stand-by programs is needed—and here we are falling behind.

Defense Boondoggling

There is one other possible anti-depression measure—and one of which I thoroughly disapprove. We could use the defense program as the excuse for expanding general demand whenever markets decline. There will be pressures in this direction from workers, farmers, and businessmen who would rather work on building up stockpiles than have their present activities cut back. I do not think that up until now there has been Machiavellian reliance on the defense program to keep up business activity, and I do not expect the situation to change in this respect. However, Congress will undoubtedly be under considerable political pressures, and an enlightened public opinion can help immensely.

The problem is the more difficult for the following reasons. First, no one can indicate precisely how large defense spending need be. If war is really imminent, which no man can know, we are spending far too little. If there is an over-all business contraction, it is perfectly appropriate for us to expand the defense program in those marginal areas which we have previously refused to enter for fear of adding to inflation. Extreme wisdom will be needed to distinguish between defense spending that will counteract an incipient depression and that which represents boondoggling.

Out of a long list of further unwise anti-depression programs I shall here warn against only two: the use of hasty, unplanned, and unnecessary foreign aid simply to keep up spending; and the revival of tariffs and protectionist measures to help any and every industry that is experiencing a loss of domestic markets.

Perpetual Prosperity?

Does all this suggest that America has tamed the business cycle for all time and can now usher in an era of perpetual prosperity? It would be absurd to fall back into the fatuous optimism of the pre-1929 era. We shall still have fluctuations. But it is equally absurd not to recognize the important new stabilizers in our economic system. The extreme variations can be substantially moderated.

What needs strongest emphasis, in my judgment, is not the differences in economic policy that a Republican Administration is likely to pursue as compared to a Democratic one. There are discernible differences. But just as the Russians are fooling themselves when they confidently expect the capitalist system to go into a major collapse, so many Democrats are fooling themselves when they think that the new Administration is sure to bungle the stabilization program and discredit itself by killing off prosperity.

The American people expect much of Eisenhower and the new Congress. In this sense the Administration is on the spot. But no one party has a monopoly on common sense, and the economic decisions will not be insoluble or even terribly difficult so long as the key problem is to maintain high employment rather than to control inflation.

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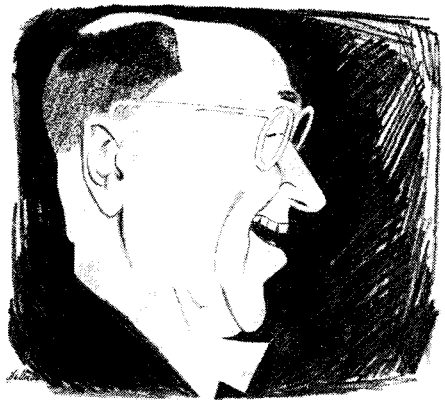

George Humphrey, New Name on the Dollar

WILLIAM H. HESSLER

When the Republican Party returned to power in 1921, the overriding issue of public policy was the relationship of the Federal government to the nation's business economy. Andrew W. Mellon, Secretary of the Treasury in three successive Administrations, was both the symbol and the dominant figure of the relationship. Since his time, Secretaries of the Treasury have been overshadowed by those officials who made foreign policy or waged war, or by those who fashioned far-reaching economic reforms. In a word, Treasury became a humdrum job.

In 1953, as the Republican Party again returns to power, there is reason to think that the overriding issue of public policy will again be the forging of a new and more cordial relationship between government and business. The pattern of foreign policy, which is intrinsically far more important, seems to be firmly set. Military policy is for the moment a matter of how much to spend and how efficiently that much can be spent. The preoccupation of the Eisenhower Administration, in the view of those who dominate and direct it, is to end a twenty-year feud between American government and American business—to resume the partnership of the 1920's, but without inviting the imbalance that plunged America and the world into a great depression in the twilight of the Mellon Era.

If a major war does not intrude to change the pattern, the great issues of the mid-1950's will be fiscal and economic. They will include the refinancing of the national debt, now heavily loaded with short-term paper, and the recasting of our system of taxation. Another will be the shift from direct, arbitrary economic regulation to more subtle controls over the national economy, exercised through guidance over interest rates, credit, and budget surpluses or deficits. Still another will be the substantial remodeling of our foreign economic policy, in an attempt to avoid the kind of disaster that rewarded the blundering high-tariff policies of the 1920's.

Logically, then, President Eisenhower's Secretary of the Treasury will play a central and dominant role as one of the two or three towering figures who will define the main contours of national policy. Almost certainly, he will play such a role if he has the requisite qualities of mind and personality.

A Businessman's Businessman

George Magoffin Humphrey is a conservative with imagination. He became perhaps the foremost businessman in Cleveland and the head of a great industrial complex because of his imaginative grasp of the direction and tempo of the nation's industrial growth. He is deft in choosing and using men. He has a startling talent—some would say a genius—for getting all relevant information quickly and then making a swift but unhurried decision. And he has a quiet, confident manner that commands the trust of all those who work with him.

In the business world, Humphrey is a natural leader. But his is a leadership wholly without histrionics. He rose to his place of eminence in American business without depending on the modern arts of publicity. Indeed, when the Treasury appointment suddenly burst on him and he was compelled to find a public-relations man to handle the inevitable stream of newspaper and magazine people, he appointed a likely young fellow from the purchasing department of his firm, the M. A. Hanna Company.

Humphrey might be called a businessman's businessman. He is not a joiner, and he never lends his name to any enterprise, however worthy, unless he can give it ample time and energy. He is not a civic leader, and never makes speeches. He is not a philanthropist, although he gives respectable sums to the standard charities, and once did an impressive job of fund raising for Western Reserve University's Medical School—his only notable foray into the domain of good works. In plain fact, his sole business is business.

Humphrey came to Cleveland from a law practice in Saginaw, Michigan, in 1918, as assistant general counsel for M. A. Hanna and Company, then a partnerhip dealing in coal, iron, and lake shipping. In six years he moved unobtrusively upward to the executive vice-presidency of a concern that had languished under the direction of Mark Hanna's heirs and had lost two million dollars the year before Humphrey took hold. He wrote off unprofitable mines and blast furnaces, and the company has never lost money since, even during the depression. Under Humphrey's guidance—he became president in 1929—it has grown to be a novel combination of holding company and operating company, the nerve center of a great empire of ore, shipping, steel, coal, rayon, and plastics, reaching into many states and even

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overseas. M. A. Hanna controls Pittsburgh Consolidation Coal, the biggest producer of bituminous coal in the world. It holds the controlling interest in National Steel, a remarkably well-integrated and successful steel enterprise. And it has a strong equity in new materials and industries that are sure to grow with the nation.

ANDREW MELLON, patrician in looks and manners and taste, left a magnificent art collection to the American people. He also left them the consequences of his long tenure in the Treasury, which was devoted to lowering income-tax rates for the well-to-do, making enormous tax rebates to industrial corporations, and backing the radical upward revision of tariff rates in 1922 and 1930.

George Humphrey, who was born in Cheboygan, Michigan, and grew up in Saginaw, has an earthy quality that success has not erased, a simplicity that no mumbo-jumbo about rediscount rates can hide.

Humphrey's assignment, as he understands it, is to liberate American business from the constricting molds of twenty years of political orthopedics so that it can probe the riches of an age of chemical and metallurgical wizardry, of plastics and electronics and atomic power. But he has to do it within the boundaries of a quasi-welfare state, under the suspicious and reproachful eyes of sundry troublesome people like Walter Reuther and that other Humphrey—Senator Hubert. He must do it with the knowledge that the Republican Party has only a paper-thin majority with which to govern. He has to feel his way toward a new marriage of government and business with full awareness that he and his colleagues are back in power only as long as our economic machine runs smoothly.

Mad at Nobody

In foreign economic policy, he cannot even flirt with the myopic protectionism of the 1920's. If the Eisenhower Administration is to put an end to overseas aid, it must open the gates of trade and let foreigners sell in America with a minimum of constraints. And the man who pioneered the $200-million ore development in Labrador and Quebec and then turned around to support the Great-Lakes-St. Lawrence Seaway can hardly ignore our present absurd position in international trade—selling much and buying little, and therefore having to give money to people overseas so that they can keep on buying our goods.

Humphrey flourished under the New Deal, and he won't try to repeal it. He has been fair to labor, sometimes generous. He has made a fortune, but not by squeezing his competitors to the wall, as some earlier Cleveland tycoons did. In fact, he has made a fortune without making enemies. His direct competitors in Cleveland speak as highly of him as do his associates and subordinates. Like the President under whom he serves, George Humphrey isn't mad at anybody. And apparently nobody is mad at him—at least not yet.

HUMPHREY has never gone into any organization or enterprise unless to play a major and customarily a dominant part. Some time ago he declined a directorship of Western Reserve University, saying he couldn't serve actively and wouldn't serve merely as window dressing. Humphrey, we may be certain, is not giving up a salary estimated to be at least $300,000 a year in order to live glamorously in the bright lights of Washington. He backed the Republican Party to win; and now that it has won at long last, he will settle for $22,500 a year to see that the G.O.P. restores the climate of opportunity in which risk takers with imagination can roam the frontiers of a technological age without being either harassed or pampered by agents of the political state.

Andrew W. Mellon

While he belongs to "big business" in the usual sense, he is not in one of the nation's gigantic industrial empires. The M. A. Hanna Company, over which he has presided, is now probably worth $250 million or thereabouts. That's a tidy little property, but it is only one-tenth the size of any one of a dozen American industrial giants. And the record shows that the most valuable business recruits to our public service are not from the gigantic combines but from the middle-sized enterprises—Paul Hoffman of Studebaker, for example.

EISENHOWER appointed Humphrey Secretary of the Treasury without ever having met the man. But he was not reaching blindly for a symbol of Midwestern industrial conservatism. Lucius Clay and Paul Hoffman picked Humphrey, largely because of the job he did for them in Europe in 1948-1949 as a special adviser to the Economic Cooperation Administration. Humphrey's main contribution there, after a comprehensive exploration of German industry under American occupation, was to slow down and in a number of cases to arrest the dismantling of German industrial plants. By this means he stopped the removal of German machine tools to Russia and the counterbalancing flow of American machine tools into Germany—a process which in the net amounted to the re-equipment of Soviet heavy industry from America's reserve stock of machine tools.

He has also been chairman of the Business Advisory Council of the Commerce Department—and one of the two or three members most carefully listened to in its sessions. The lasting value of this unique institution is now evident. Secretary of Commerce Charles Sawyer has been the Truman Administration's principal liaison with the business community. Sawyer used the Advisory Council to patch up the bad relations between government and business and to get good advice from important businessmen. The Council now proves to have been Charlie Sawyer's Tutoring School for Ike's Key Subordinates. Its roster provides a reser-

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voir of able, perceptive businessmen who have been kept in touch with the problems of government through a long period of strained relations. About half of Eisenhower's appointees, according to Sawyer, have served at one time or another on the Council.

The Line Backers

Humphrey would be the last to claim for himself an expert's knowledge of interest rates, open-market operations, taxation policy, and monetary theory. But he was hired for leadership, not for his technical training. For technical knowledge, he has recruited a first-class team in the second echelon of the Treasury. They are Marion B. Folsom, formerly of Eastman Kodak and the Committee for Economic Development, as Under Secretary; W. Randolph Burgess of the National City Bank of New York, as Special Deputy and consultant; and Humphrey's own lawyer, H. Chapman Rose, of Jones, Day, Cockley and Reavis, Ohio's biggest law firm, as Assistant Secretary.

Folsom is as well informed as anybody in the country on taxation and social-security problems. Burgess is a leading authority on monetary problems and debt management, with eighteen years' experience in the Federal Reserve Bank of New York. Both Folsom and Burgess, like Humphrey, are graduates of the Sawyer Seminar. Rose has a more general assignment. He knows Humphrey and how to get things done for him, having gone with him on the ECA mission in Europe in 1948. He also knows his way around in Washington, from a long wartime tour of duty in contract termination and like matters, and from many Washington contacts since. This is an impressive team, as indeed it should be to staff a department that probably is going to take on even greater importance than it has had in two decades.

HUMPHREY'S appointment was a complete surprise to him, to the country, and also to Senator Robert A. Taft, who might have expected to be consulted before the appointment of a Cabinet member from Ohio, according to the firm tradition of American politics. The choice was widely interpreted, nevertheless, as a concession to Taft and to Taft sentiment, on the theory that Humphrey was a Taft man until the Chicago Convention made its choice for Eisenhower. Although Humphrey himself has been widely quoted to this effect, there are those who say that the theory is not correct. Humphrey was for Taft for Senator, according to these sources, but not for President.

It probably is not too much to say that Humphrey has been the most

influential figure behind the scenes in the Republican Party in northeastern Ohio. His influence was evident in the strong backing given by the Cuyahoga County Republican machine to the Senator's much more liberal brother, Charles P. Taft, in his unsuccessful bid for the Governorship of Ohio last November. His ideological ties are with the progressive businessmen who have worked with successive Democratic Administrations through ECA, the Business Advisory Council, Defense Mobilization, the Committee for Economic Development, and other liaison agencies—not with the intransigent foes of the New Deal who fought it every inch of the way and then rallied to the candidacy of Senator Taft.

Things to Come

All the same, Humphrey *is* from Ohio. He has been an unstinting backer of Taft over the years. He does have close ties with the Ohio G.O.P. He has been a pillar of the Cuyahoga County Republican organization, especially in money raising. He bank-rolled George H. Bender, county boss and for twelve years a member of Congress. Without Humphrey's backing, Bender would not be the boss of his party in Cleveland today. Consequently Humphrey should be of considerable use to the President, as a persuasive messenger when it is necessary to placate, cajole, or prod the Majority Leader of the Senate.

There is no record from which one can surmise just what George Humphrey will do with the problems he will find on his doorstep. He won't say in advance—which is at least an indication of wisdom. He has accumulated no backlog of past speeches, to be picked to pieces for clues. He obviously is a sound-money man, but he is also a realist. He clearly would welcome the end of the excess-profits tax next July 1. But he is capable of recognizing that this might turn out to be bad politics if it preceded a general trimming of personal income-tax rates.

Humphrey's whole upbringing will push him toward a massive refunding operation to put the national debt into long-term securities, even though this means a much heavier annual charge for debt service. But he won't rush in with a bond program that would overturn the established competitive position of municipalities and expanding private industries in the money market.

Return to Gold?

He will have a hard-money man's predisposition to head back toward the gold standard, especially since the 1952 G.O.P. platform declares for "a dollar on a fully convertible gold basis." He may be lured along that road by his chief monetary adviser, Randolph Burgess, who has been an articulate missionary in that cause for many years. But Humphrey is wise enough to look before he leaps, and he will listen closely when other advisers argue the other way.

He would seem to be pragmatist enough to weigh both sets of arguments and to be guided by cogent reasoning, rather than by the nostalgia that is the hallmark of reactionaries, but not of true conservatives.

THE safest forecast is that the new Secretary of the Treasury will be amiable, quiet, and unhurried, that in respect to every problem he will scan the evidence turned up by a first-string staff and then do what will best create a climate of opportunity for risk takers with imagination—men very much like George M. Humphrey.

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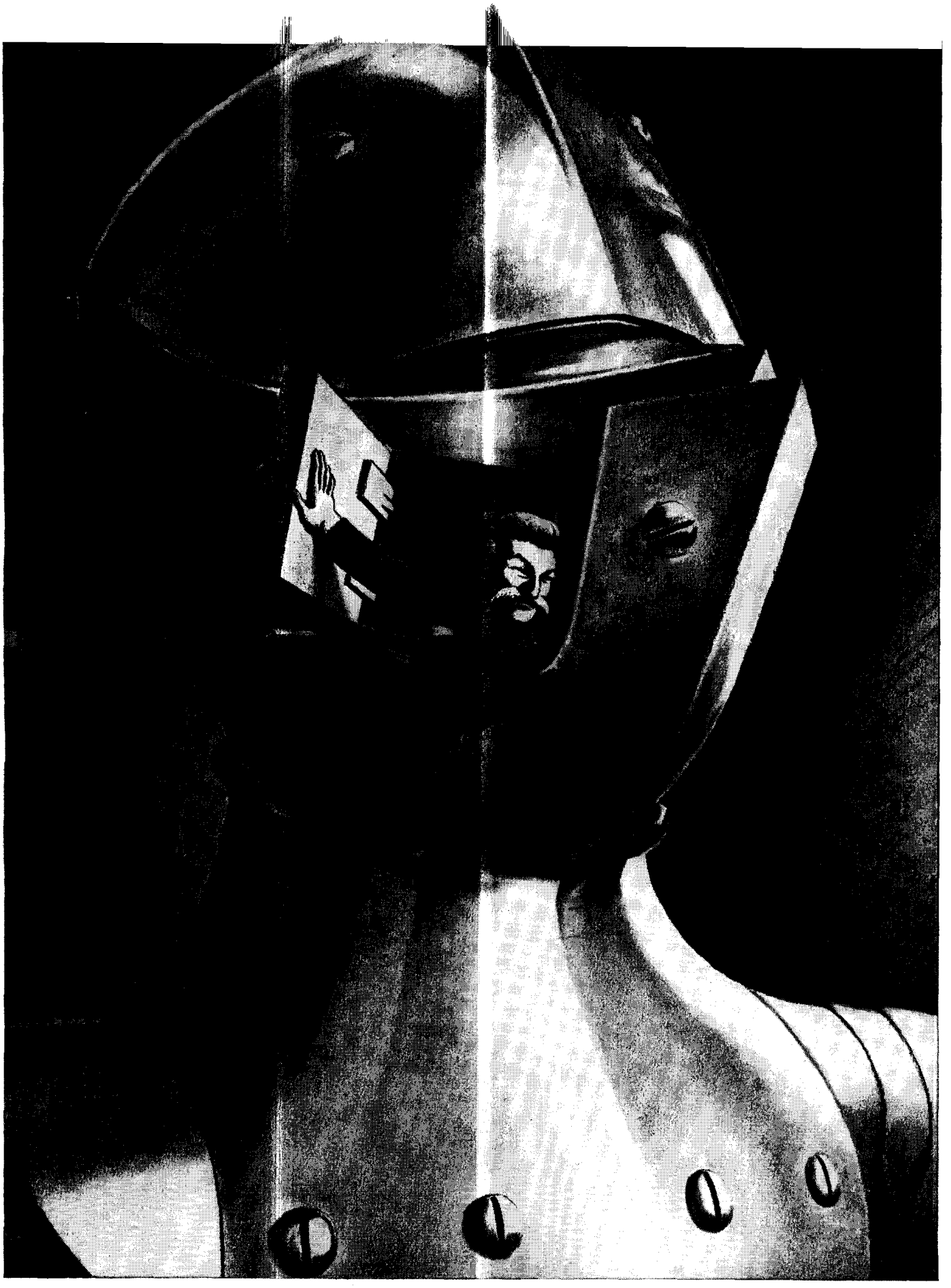

STALIN: 'Peace? I'm always willing to talk about peace. . . .'

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Lawmakers As Judges

WILLIAM H. BERMAN and WALTER F. HOFFMANN

As the number and tempo of Congressional investigations increase, so does the confusion as to their primary purpose. Lately more and more such investigations have resembled combined prosecutions and trials. Basic principles seem to have been forgotten: The purpose of legislative committees is to examine facts and employ them in formulating laws, while the purpose of our courts is to examine laws and employ them in evaluating facts.

LAST OCTOBER the First United States Court of Appeals set aside the conviction of Denis W. Delaney, former Collector of Internal Revenue for Massachusetts, on the ground that he had been "obliged to stand trial in the hostile atmosphere engendered by extra-courtroom publicity." Most of this publicity had been produced by public hearings before a House Ways and Means subcommittee known as the King Committee. When Delaney appeared at these hearings, he had already been removed from his government position by the President and indicted by a grand jury for accepting bribes and falsifying tax liens. The committee ignored urgent pleas by the Department of Justice that the hearings be held behind closed doors in order to avoid publicity prejudicial to a fair trial. Whether the benefits derived from the committee's public disclosures compensated for the delay and expense of a new trial is certainly open to question.

The Eighty-Second Congress set a record for the type of investigation that led to the Delaney decision. It authorized nearly $6 million for 236 special inquiries. According to all indications, the Eighty-Third Congress will come close to or exceed that record. Many of these investigations have but one primary purpose: the prosecution and punishment of gamblers, subversives, influence peddlers, and dishonest or misguided government officials.

There can be little doubt that many of these individuals deserve to be prosecuted and punished by someone, but the writers of this article seriously question whether a Congressional committee is the agency best suited to decide the guilt or innocence of such persons and to inflict punishment.

The authors served as attorneys on the staff of the King Committee, which was authorized by the Eighty-Second Congress to investigate the administration of the internal revenue laws. It is generally recognized that this committee conducted one of the fairest and most successful investigations of its kind. It had an extremely able counsel, Adrian W. DeWind, and its chairman, Representative Cecil R. King (D., California), was singularly devoted to the committee's work. As a result, the committee earned a well-deserved reputation for unusual responsibility. It made few mistakes, seldom resorted to witch hunting, and was responsible for the removal of more top-echelon government officials suspected of dishonesty than any other committee in the history of Congress. However, while playing a part in establishing this record, the authors came to recognize that even the best of investigating committees have inherent faults.

Exposure and Exposé

The King Committee's activities were largely outside the legislative role traditionally assigned to Congress. Theoretically the purpose of the committee's initial investigations was merely to establish a "pattern" of corruption which would form the basis for corrective legislation. However, once the committee obtained evidence tending to verify some of the charges, the press clamored for more exposés, and any good intentions that might have existed "to make recommendations for legislative and administrative action designed . . . to eliminate such actual abuses as are found" faded into the background. Despite Chairman King's statement that "an investigation is not a trial," the committee was primarily an agency of prosecution.

In planning its investigations, the committee staff thought not in terms of what situation might require legislative correction, but rather in terms of which individual the committee should go after next. After an investigation had been made, the committee decided whether there was sufficient material to convince the public that the individual had done something wrong.

In appraising each case, the staff

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tried to determine whether the particular set of facts constituted a "good story." A good story usually involved a prominent person; a gimmick, such as a fur coat or an airplane trip, to arouse the public interest; and a comparatively simple set of facts which could be easily conveyed by the press to the public. In a few instances complicated facts were omitted in order to simplify a story for public consumption. In the hearing involving Revenue Agent Adrian Ash, the committee essentially presented only three facts: first, that Ash had accepted favors from Universal Pictures Corporation; second, that he had made a partially favorable recommendation on its $20-million excess-profits-tax claim; and third, that his recommendation was ultimately rejected by his superiors. The committee did not bother to analyze his report or state the reasons for its rejection because it considered such material too technical for the public to follow.

THE COMMITTEE conducted its hearings in a manner which, like a trial, focused attention upon a particular individual. At the end of each set of hearings involving a specific individual, the committee chairman usually read a statement which more often than not sounded like a jury verdict. Typical of these was Chairman King's statement to former Assistant Attorney General T. Lamar Caudle that "a fair-minded person, hearing all the testimony, could hardly escape the conclusion that you . . . *were guilty* at least of such indiscretions as to constitute a breach of your public trust [italics ours]."

The practical effect of the King Committee's efforts was to punish the individuals under suspicion. This punishment took one or more of several forms. Occasionally an attempt was made to instigate some kind of criminal proceeding; more often the individual was removed from his position in the government; in every instance his reputation was severely damaged.

In most cases the committee did not have sufficient evidence of tax fixing to submit to a grand jury. Where this was true, the committee sometimes found other grounds for criminal proceedings. For example, it invoked a contempt citation against Henry Grunewald and resorted to an accusation of perjury against Grunewald's lawyer, William Power Maloney.

The committee became quite adept at causing a man to lose his government job. By March of 1952, the committee no longer had to demand a man's removal after its hearings had implicated him. By then the Revenue Bureau was telephoning the committee to make sure that any individual who was to be the subject of a public hearing had already been suspended.

Trial by Headline

The power to center a hearing around a particular individual gave the committee an unusual ability to damage his reputation. Inevitably that individual's picture would appear on the front pages accompanied by a story quoting the indignant comments of the committee members and, in the case of government personnel, announcing the seemingly conclusive fact that the individual had already been suspended or forced to resign. Members of the staff were not unmindful of this power. Once, some of them suggested that a set of hearings should be held for the specific purpose of blackening the names of certain alleged influence peddlers.

The committee's awareness that it could inflict punishment by means of publicity often led it into direct competition with the Treasury and Justice Departments. For example, last February the committee learned that a Brooklyn grand jury, impaneled to investigate charges of corruption in the Bureau of Internal Revenue, was about to subpoena the committee's New York files containing information on former Commissioner Joseph D. Nunan, former Assistant Commissioner Daniel A. Bolich, and others. In order to be the first to prosecute these individuals, the committee staff spirited the files out of the United States Courthouse Building at 2 A.M., drove them to a point outside Washington, waited until nightfall to transfer them to another vehicle, took them

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to the Capitol, and placed them under the twenty-four-hour guard of the House Sergeant at Arms. Only after these matters were brought out in the committee's public hearings were the files made available to the grand jury.

The committee staff was well aware that it had, to quote Brooklyn U.S. Attorney Frank J. Parker, "greatly hampered" the Department of Justice. Its rationalization was as follows: Men like Bolich and Nunan had more to fear from a Congressional hearing than from a grand-jury investigation; grand-jury proceedings are secret while Congressional hearings are public; a grand jury must limit its inquiry to illegal acts, whereas a Congressional committee is not so restricted; a concurrent grand-jury inquiry lends psychological support to a witness's claim to the privilege against self-incrimination; if a grand-jury indictment is returned, the committee is no longer entirely free to publicize the matter. In short, allowing the normal judicial process to take its course would let such men off too easily.

Process, Due and Otherwise

Congressional prosecutions of this sort would not be so undesirable if the procedures followed by Congressional committees gave individuals the same degree of protection that they get in a court of law. Even though the rules of procedure adopted by the King Committee were probably the most enlightened adopted by any investigating committee up to its time, they lacked those fundamental safeguards that should be guaranteed to any individual who has been accused of wrongdoing.

No person who testified before the King Committee was permitted to call witnesses in his own behalf. When such an individual wished to cross-examine a witness he was required to submit the question in writing to the chairman, and only such questions "as may be consented to by a majority of the subcommittee present" were then put to the witness by a member of the committee or its staff. This procedure cannot be called a true cross-examination. Even apart from the requirement of the committee's consent, the effectiveness of cross-examination depends on the sequence in which the questions are asked and the skill and conviction of the attorney who asks them.

A majority of the committee could deny an individual the privilege of having counsel to advise him. This rule was in effect invoked against Henry Grunewald. After his counsel was forcibly ejected from the committee's hearing room, he was given only one hour to obtain new counsel, who of course would have been unable to familiarize himself with the situation on such short notice. When Grunewald returned without new counsel, he was cited for contempt—for refusing to testify without counsel of his own choosing.

In a press release dated September 25, 1951, Chairman King made it abundantly clear that in Congressional hearings "rules of evidence applicable to judicial trials become largely irrelevant." On December 4, 1951, the committee permitted Abraham Teitelbaum to testify in open hearing that someone had told him that former Commissioner George Schoeneman, General Services Administrator Jess Larson, and others were part of a tax-fixing clique in Washington. Representative Thomas J. O'Brien (D., Illinois), a member of the committee, later objected that this charge was "hearsay evidence and not supported by other proof." Chairman King admitted that he was fully informed beforehand as to the nature of Teitelbaum's testimony and assumed responsibility for approving the staff recommendation that Teitelbaum be a witness. Not only would such unreliable evidence have been held inadmissible in any court of law, but its effect upon the reputations of the individuals named could have been prevented by the objection of an alert counsel as soon as the nature of the testimony became apparent. If the King Committee had observed judicial procedures, many of the suspicions created and inferences drawn would have been avoided.

On November 27, 1951, Committee Counsel made an erroneous assertion that tax liens on the property of Troy Whitehead were removed the day after a telephone call to the Bureau of Internal Revenue by Whitehead's friend, then Assistant Attorney General T. Lamar Caudle. Not until seventeen days later did the committee reveal that the liens had not actually been removed at all. Still another example was provided by the hearing on Revenue Agent Adrian Ash. All the facts concerning the Universal Pictures Corporation case, including the alleged interest of former Secretary of Commerce John W. Snyder, are only now coming to light. The committee proceeded last March with the case and heard witnesses against Ash despite the fact that he was then hospitalized for surgery and unable to attend his own hearing. Had these been legally constituted criminal prosecutions, both Caudle and Ash would have had the Constitutionally guaranteed right to effective representation by counsel, to confront and cross-examine wit-

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nesses, and to present testimony in their own behalf.

While the committee succeeded in bringing about a change of faces in the top ranks of the government's tax-collecting system, it made no effort to get at the causes of corruption. It failed to recommend specific legislation either to maintain the integrity of the revenue service or to discourage effectively the financial, political, and social pressures that besiege government officials.

Although the final committee report extols the ideals of "adequate compensation" and "merit" appointments and promotions for revenue employees, no real consideration was ever given by the committee as to how the government might attract and retain men of higher caliber or how it might build a more efficient, honest, and devoted career service. It could have determined, for example, whether in-service training programs would improve efficiency, whether a promotion policy requiring higher grades to be filled from within the service would provide valuable incentive, and whether present civil-service regulations hamper conscientious administrators who would like to get rid of deadwood.

Unfinished Business

The committee devoted only seven of a total of sixty-five days of public hearings to what might be called legislative considerations. Moreover, these few hearings and the legislative proposals that emerged were principally concerned with relatively superficial matters like bureau procedures and policies; they barely touched upon the basic causes of corruption and dishonesty in government. Instead of increasing the penalty for bribery, the committee's original bill (H.R. 7893) proposed the disallowance of all business expenses not fully substantiated by the taxpayer. Instead of devising means of discouraging Congressmen from using their office to influence the substantive decisions of administrative officials in tax cases, the bill would penalize, by fine or imprisonment, persons who are paid to assist others in the preparation of tax returns and willfully fail to indicate this fact on the return. Instead of making it a crime for an official to accept large gifts from delinquent taxpayers or requiring officials to disqualify themselves publicly from the consideration of cases involving friends, the bill would impose more stringent record-keeping upon the average taxpayer.

Because the committee considered its legislative work to be incidental to its prosecuting work, the causes of corruption remain just about as they were before. Congressmen will continue to call bureau officials and demand that important people receive preferential treatment. Influence peddlers will still offer mink coats and sales commissions to underpaid government officials. In brief, because of the way this committee handled its job, corruption will continue to crop up in the revenue system in succeeding Administrations, regardless of party.

THE King Committee has not been alone in neglecting its legislative duties. Some committees have failed to make any legislative recommendations at all. According to the court in the Delaney case, none of the testimony heard by the King Committee "ran the gauntlet of defense cross-examination . . . nor was the published evidence tempered, challenged, or minimized by evidence offered by the accused." Other committees have even more flagrantly flouted the Bill of Rights, playing the roles of both prosecutor and judge in deciding the guilt of individual citizens with respect to numerous offenses ranging from treason to the acceptance of a twelve-pound ham.

The Division of Powers

It has frequently been suggested that Congressional committees should adhere to certain minimum standards. These might include a requirement that all committee hearings be strictly confined to orthodox legislative matters, that all testimony which involves indictable offenses by anyone or acts by government employees that might result in their dismissal be heard in closed session, that any implicating information obtained from such closed sessions be promptly turned over to the appropriate authorities, and that every effort be made in all public hearings to avoid any suggestion that the individuals involved are suspected in any way of committing a crime.

Senator Paul H. Douglas (D., Illinois) has recommended that Congress establish a code of ethics for all Federal employees, but the understandable reluctance of the Executive Department to investigate itself and to take the intiative in enforcing such a code against its own employees cannot be overlooked. To avoid this, Congress could also establish an independent commission to investigate and prosecute individual employees who violate any provisions of the code, and an independent tribunal to hear and decide all individual cases brought to it by the commission. Normal judicial procedures could be observed by this tribunal, and cases to be tried before it might include charges of inefficiency and disloyalty as well as dishonesty.

The problem of such investigating committees transcends the problem of corruption. At stake are the maintenance of the delicate balance in our tripartite system of government and the preservation of our liberties which is insured by the division of powers.

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Some Notes On Ex-Presidents

GILBERT BAILEY

Ex-Presidents live long – longer than most Americans. The life span of the twenty-three who survived the office before Hoover averages out at seventy-plus years. This statistic owes its actuarial surprise to the durability of the early Chief Executives. The first ten reached an average of 76.3 years, which is a full decade beyond the life expectancy of a white male in 1953. Ex-Presidents die younger now, but no younger than other people. For the most recent ten, the age of death averaged 65.5. They were Presidents no longer than the earlier ten, and were about five years younger on the average when they left office. But their post-White House span of life averaged 5.5 years less–8.1 years as compared with 13.6 for the first ten.

American Presidents do not leave dramatically large estates. We do not elect enormously rich men President (the only exception–for his time–was Washington) and we do not permit them to become really rich afterwards. The following estates will give a general idea: Pierce–an estimated $90,000; Buchanan–$420,000; Lincoln–an estimated $110,000; Benjamin Harrison – $375,000; Taft–$475,000; Wilson–$600,000; Harding–$486,000; Franklin D. Roosevelt –$1,821,000. Happily, ex-Presidents are no longer prey to the near-bankruptcy which overtook members of the early Virginia dynasty, Jackson, and Grant (who died about $16 million in debt). Now the opportunity for a dignified fortune through writing alone puts an ex-President in a fairly secure position.

The first thing most new ex-Presidents say that they are going to do is rest up, although Pierce and Grant sought a transition into private life by foreign travel and Theodore Roosevelt startled nobody by going off lion hunting nineteen days after his exit. Almost all the rest have headed straight home.

Unless he chooses to deviate from tradition, Harry Truman will be in Independence, Missouri, indefinitely. He will fix up the old homestead or buy a nice place nearby with some ground, say twenty-five acres, and give it a pleasant, leafy name like Twin Oaks.

Once Mr. Truman settles down, he has precedents for doing almost anything as long as he does not go into big business in a big way or do something demeaning. Along with his farming, Washington distilled bourbon commercially (and made a net profit of eighty-three pounds in 1798). Thomas Jefferson, who designed, founded, and dominated the University of Virginia, believed this his most important work and indicated as much in his self-written epitaph. John Q. Adams, the most interesting of all as an ex-President, accepted a seat in the House of Representatives from his home district, served seventeen years, and remained a controversial figure by fighting gag rules on anti-slavery petitions.

Andrew Jackson set up a woodyard on one of his debt-laden farms and sold the wood as fuel to passing steamboat captains. He also farmed, insistently advised President Van Buren, and beat the drum for the annexation of Texas. John Tyler became an overseer of the country road he lived on and tried to get the then four other living ex-Presidents to arbitrate the impending Civil War. When that failed he became the only former President to support the Southern cause. Andrew Johnson fought his way back to the Senate which had impeached him and helped to block Grant's third-term ambitions. Grant himself became the only American President to become a Wall Street broker, which ruined him financially.

Apart from periodic variations and such highlights as those noted above, the fashion for ex-Presidents was pretty well set by Washington and John Adams–dignified repose, large libraries, document arranging, diaries, and cornerstone layings. In retirement most Presidents have soon become unimportant figures of small influence. Biographers have usually disposed of their post-Presidential careers by saying, "He continued to take an active interest in public affairs."

The pattern changed with Taft. He broke the ground for voluntary high-level government service as a wartime labor-industry mediator for Wilson, became a popular teacher of Constitutional and Governmental Law at Yale, and achieved a life ambition when he became Chief Justice–and perhaps the most lovable of all the ex-Presidents.

It was only with Herbert Hoover that an ex-President ever became important as an expert on government. Mr. Truman already has said what he would like to be when he joins Mr. Hoover in the ranks. His wish to teach, together with all the reports about his plans, falls safely within precedent. But like Mr. Hoover and each of the other twenty-three, Mr. Truman's main concern, as he already has made clear, will be to ensure a place of honor in American history for his Administration.

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Italian Democracy: A Progress Report

CLAIRE STERLING

1. A Would-be Duce in Distress

A couple of years ago, a Neapolitan shipowner named Achille Lauro, bored with a life devoted entirely to making money, decided to take over a bankrupt political organization called the National Monarchist Party (P.N.M.). By the following year, he had formed a loose alliance with the neo-Fascist Movimento Sociale Italiano (M.S.I.). Last spring, this coalition, called the National Front, polled one and a half million votes in the south Italian municipal elections, and Lauro had become the Communists' closest rival as a national menace. For a while, in fact, many people thought he would be in a position to present Italy with a dictatorship within a year or so.

Once before, in the eight years since the sudden retirement of Italy's last man of destiny, there were reports that a new one had arisen. In 1945, an engaging and cynical playwright named Guglielmo Giannini announced that he was fed up with anti-Fascism, sanctimonious democracy, and a government run by thieves, cowards, stuffed shirts, and fools. His mocking laughter was soon echoing through the country, and in less than a year he was able to claim almost a million and a half Italians as supporters of his Uomo Qualunque, or Common Man, movement. Even the skeptics began to wonder whether anything could stop Giannini. But in less than another year his movement had fallen apart, and Giannini has now become bored with politics and taken up playwriting again.

Unfortunately, Lauro, if less witty than his predecessor, is more efficient. He also had fewer scruples. While Giannini never went much beyond what he called "anti-anti-Fascism," Lauro set out deliberately to attract the most unrepentant Black Shirts and to stir up a blaze of longing among them for the good old days.

Since his triumph in the municipal elections last May, Lauro has tried his best to pass himself off as a rising Italian de Gaulle, and with some success. Aside from the fact that he has managed to exasperate practically everyone in the capital, he has also succeeded—where Giannini failed—in drawing around him the various forces of "order" that may now be said, for the first time since the war, to constitute the organized Right. Lauro's doctrine of mystical patriotism and a strong-arm state is flexible enough to attract the wildest young rebel and the most conventional provincial dentist, and so noncommittal as to look like Fascism to Fascists or democracy to not-too-fastidious democrats.

Unlike de Gaulle, Lauro has no hero's record behind him. When Italian partisans were fighting in the resistance, he was "meditating" in an Allied prison camp. His greatest asset is his enormous wealth. "We trust him," one of his followers has said, "because he's so rich he doesn't have to steal."

Lauro's Lire

As far as anyone knows, Lauro chose the P.N.M. for his investment much as a cattle dealer might select a new heifer. Until he took it over, he had not shown any active interest in the monarchist cause, or in any other that did not have a direct bearing on his merchant fleet. Even his first act of political allegiance—to the Fascist Party in 1933, eleven years after Mussolini had come to power—seems to have been motivated by a concern for his financial welfare; it was under Mussolini's patronage that he accumulated the fifty-four ships that

Achille Lauro

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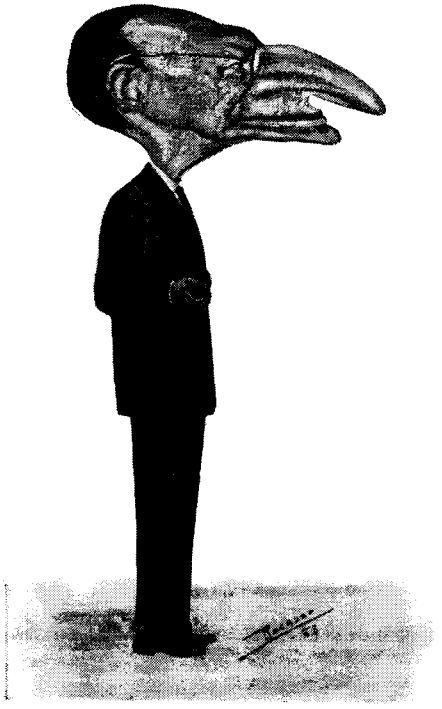

Alcide De Gasperi

carried troops during the Ethiopian War and made him his fortune.

In 1943 the Allied occupation authorities sent Lauro to the prison camp at Padula for "having taken advantage of the political situation created by Fascism [and] committing particularly grave acts." Among the acts he was charged with were exporting opium from China, enriching himself by buying the favor of Fascist big shots, cultivating the friendship of Count Ciano, and playing host to Emmy Goering.

After his release from Padula, Lauro slipped back easily into his old commercial activities. By securing private loans from Britain and the United States, subsidies from the Ministry of Merchant Marine, and more than a third of the hundred American Liberty ships turned over to Italy by the U.S. government, he gradually built up what is now reportedly the largest private merchant fleet in Europe. Cargoes for the Korean War have been bringing him tidy profits, and some of Lauro's former associates put his income as high as a million dollars a month. In any event, he has enough money to be contemptuous of anyone who doesn't (he recently dismissed Premier De Gasperi as "a man who isn't even rich"), and enough to have put on last May the most gloriously spendthrift campaign in the memory of southern Italians.

He was careful to pick, as his base of operations, the region where his money would do the most good. The provinces from Naples to Sicily are by far the poorest and most neglected in Italy, and neither the present Christian Democratic Government nor any before it has ever had the strength or the means to change the situation radically. In this baked, stony, overpopulated region the problems have invariably seemed too big and too hopeless, the inhabitants too myth-ridden and unreasonable, the rewards too meager. By the same token, the southern peasants have always been fair game for anyone with a large political ambition and a limited sense of responsibility.

Four years had passed since the Christian Democrats and their democratic allies had taken over, after the first free election following twenty years of Fascism. The experiment could be held up as a failure to millions of southern peasants who wanted land, workers who had never had work, young patriots still smarting under the disgrace of Italy's defeat, landowners afraid that the Government would divide their estates, and most of all, fearful members of the middle class who felt that a moderate Government was helpless to stop the Communists.

Spaghetti and Soccer Players

Lauro drove his arguments home with thousand-lire notes, neon lights, fireworks, free spaghetti and canned tomatoes, redemption of pawn tickets worth up to eight dollars, and processions of gleaming new automobiles that pushed donkeys and pigs aside as they moved through the remote villages, carrying Lauro and members of his retinue.

He put on his biggest show in Naples, his home town, one of the most tortured slum cities in the world. There, Lauro launched a campaign of unparalleled munificence, which included not only the usual free spaghetti, but the acquisition, for $150,000, of a Scandinavian star for the Neapolitan soccer team. Such generosity led a usually suspicious electorate to swallow Lauro's other splendid promises: a huge new stadium for the Naples soccer team, which Lauro promised to build up to championship caliber; the return of ex-King Umberto two weeks after the election; jobs and subsidies for everyone; and a rebuilt Naples that would, within two years, become the "Pearl of the Mediterranean."

THE GRATEFUL Neapolitans elected Lauro mayor, and his party's victories throughout the south seemed to bear out his claim that he was leader of a third force between democracy and Communism. Like many of his other claims, this one was exaggerated.

Counting its totals in the northern municipal elections the year before, the P.N.M. had no more than 1,250,000 votes, while the M.S.I. had 1,725,000. The combined figure was disturbing, but it was not enough to give Lauro and his supporters the balance of power.

But the Christian Democrats were aware that with the vote it had received in the 1951-1952 municipal elections, their party alone could not win an absolute majority in the new Parliament this year. Even with the help of their democratic allies, who commanded about 3.5 million votes, they could not hope to win more than a tight fifty-one per cent.

Many Christian Democrats preferred to attribute their reverses to Lauro's machinations and thought that he, who had taken support away from them, could also bring it back. All through last summer, Prime Minister De Gasperi had a hard time restraining Cabinet members who insisted that an alliance with Lauro was imperative if the party was to survive the national elections in the spring of 1953.

This pressure has gradually eased, largely because of Lauro's post-election performance. He has not brought the King back. The Neapolitan soccer team has neither won the national championship nor gotten a new stadium. The treasury of Naples having proved to be $12 million in the hole, Lauro has found it impossible to provide new jobs, new homes, or subsidies for the Neapolitans. He has even stopped handing out free spaghetti; in fact, he has done nothing whatever for his constituents.

Outside Naples and the south,

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Lauro had raised high hopes among two influential groups: first, those leaders of Luigi Gedda's Catholic Action movement who demanded police suppression of the Communists and felt that Lauro was the man for the job; and those wealthy industrialists and landowners who wanted tax relief, no more land reforms, a return to the old Fascist order that had rendered the trade unions impotent, and an end to the Christian Democrats' alliance with center or left-of-center parties.

Lauro had promised all of this—privately, of course—and on the strength of it these groups had agreed to back him up. What interested them was getting Lauro together with the Christian Democrats, thereby shifting the whole axis of government toward the Right. But the prospects for this have been dwindling.

Not that Lauro doesn't want such a coalition; he is apparently all for it, in spite of the fact that he has been marching through the south declaring, like Hannibal, that he will never make peace with Rome. The question is whether he can deliver enough votes to make the plan feasible. Probably he can't. There are daily reports that the southern poor are deserting him, and undoubtedly more of them would do so if they suspected that he might sell them out to the Rome Government and the landlords. He has tried to recoup his losses recently by announcing that he would drop his Fascist partners in the next national election, in the evident hope that the northern anti-Fascists with monarchist sympathies might then vote for him with a clear conscience. This move, according to observers, is likely to drive more of his poorer and more "revolutionary" followers into the arms of the M.S.I., and has been made too late to give him the respectability he wants.

And he needs respectability. He has protested frequently of late that he believes in democracy; that he will support the Atlantic pact—with certain interesting reservations, such as a return to Italy of both the predominantly Italian city of Trieste proper and its outlying Zone B (now controlled by Yugoslavia), the old African colonies, and so on; that he detests many things about Fascism; and that his sole concern is to unify Italy's anti-Communist forces. By now, however, fewer and fewer people believe him. While the reaction against *Laurismo* was slow in coming, an increasing number of Italians, conservatives and democrats alike, have been reaching the conclusion that Lauro is both a menace and a fraud.

2. Democracy Among the Christian Democrats

When the Christian Democratic Party congress met last November, its sessions seemed to promise nothing but five days of unrelieved tedium. The party leadership had agreed beforehand that any public discussion of differences would only make a bad situation worse.

Accordingly, there were to be no majority and minority reports, no personal attacks and counterattacks, no attempts to provoke debate, and no change in the party platform. The most that could be expected was some veiled allusions and some things pointedly unsaid that would tend to prove what everyone already took for granted: that the right wing of the party had gained the upper hand, that Prime Minister Alcide De Gasperi was almost isolated, and that whatever left wing had once existed was almost dead.

But when the congress opened, the delegates started to boo almost every right-wing speaker off the platform, to applaud wildly whenever the democratic alliance was mentioned, and to cheer De Gasperi as if he were Al Smith being hounded by the Anti-Saloon League. They showed themselves, by and large, to be aggressively anti-Fascist, anti-monarchist, and even anti-clerical, in the sense of opposing any suggestion either that they should form a one-party government or that "religion could, or should, be the only cement of the party."

The congress demonstrated that the rank and file were generally well to the left, not only of their conservative brethren but of many Christian Democratic Cabinet Ministers, Members of Parliament, and of the Prime Minister himself. When the microphone was given to Carmine de Martino, a big landowner whose conservative (Vespisti) caucus controls almost a third of the party's Deputies, the audience not only howled him down but invited him to "go join the Fascists, where you

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belong." Delegates paraded to the rostrum to hold forth against the landlords, the industrialists, the monopolists, and finally against the "government technicians" who were always finding excuses for failing to help the country's two million unemployed. Demands came from every side to reform the schools, the insurance companies, the public utilities, the civil service, the wage system, the share-cropper system, and the whole economic way of life.

Blocking Gedda

Much of this talk clearly came straight from the provinces, where party workers live in daily and abrasive contact with the voters and are still smarting from the recent painful municipal elections. Except for their determination to defend De Gasperi against what they regarded as a conspiracy, few of them had come to the congress with any idea of organized rebellion. Their main concern was to warn the national headquarters that the 1953 Parliamentary election could not be won either with "tricks that would deliver us to the Fascists" or with the same promises that were made in 1948.

In the course of the congress two distinct movements took shape on the Left, each designed to counteract a distinct movement on the Right. One was a group calling itself Democratic Initiative, whose target was Luigi Gedda, president of Italian Catholic Action. Gedda is not an enrolled Christian Democrat, but his Civic Committees, made up of Catholic Action members and parish priests, have been indispensable vote getters for the party in recent years.

Although Gedda has rarely expressed a political opinion in public —since Catholic Action is ostensibly a lay religious organization—he has been the principal figure in the whole push toward the Right, particularly in the drive for an undiluted "confessional state." His purpose is to seal off the Government from the influence of lay parties and to unite all Catholics, regardless of political inclination, into a monolithic anti-Communist force. Within the last few months, Gedda's plan has been taken up by several Cabinet Ministers, including Attilio Piccione, Deputy Prime Minister.

Democratic Initiative has been formed to counteract this movement. Like everyone else in the party, its members are devout Catholics, for whom religious principles are a vital part of any political decision. They do not believe, however, that the state should be run by the Church or that Communism can be resisted successfully on exclusively religious grounds. On the contrary, they feel that such strategy could lead to disaster, because it would divert the Government from the only practical means of defeating the Communists —social reform; because it would take the party leadership away from the Christian Democrats and give it to the extreme conservatives who want to set up a police state; because it would drive thousands, if not millions, of anti-clerical democrats into the Communists' hands; and finally because it would almost certainly fail anyway, since ninety-eight per cent of Italians, including practically all the Communists, are Catholics, and if religion hasn't changed their minds by now, it isn't likely to. These Catholic democrats want to prevent a swing to the Right that in their opinion would be fatal both to Italian democracy and to the Church.

Democratic Initiative, rather than being a leftist movement, is a defensive grouping against the Right. Its leaders—such as Amintore Fanfani, Minister of Agriculture, and Paolo Taviani, Under Secretary of Foreign Affairs—have generally been associated with De Gasperi's more or less middle-of-the-road policies, and in fact make the defense of the Prime Minister their principal point.

Unionists vs. Millionaires

The second group that has formed within the party to combat the conservatives is interested primarily in economic matters and has more pronounced leftist tendencies. It is composed largely of Catholic trade-unionists, led by Giulio Pastore, who is secretary-general of the semi-confessional anti-Communist labor federation known as the CISL; and it is almost entirely dedicated to combating Carmine de Martino's Vespisti. Of the eighty-odd Deputies who call themselves Vespisti (they got the name by holding their first meeting in the back room of a Vespa motor-scooter showroom) many are rich landlords and industrialists, and all are frankly reactionary. Not only do they want no further social reforms, but they demand the cancellation of those which have already been made.

For the workers in Pastore's unions, the Vespisti are the archetypes of Italian capitalism, which is probably the harshest and most grasping in western Europe. There are said to be more postwar millionaires in Italy than in the United States, while the average income has remained about two hundred and fifty dollars a year. It is not as odd as it seems that the CISL unionists and the Vespisti should find themselves under the same political roof, joined as they are by their Catholicism and their fear of Communism. But sooner or later it was inevitable that the increasing class tension in the country would be reflected in the party.

While the Christian Democratic Party is and has always been officially "above" all classes, it has actually been tending more and more toward the middle class. The tendency was confirmed by the party's secretary, Guido Gonella, in his report to the party congress: "Our policy must be increasingly that of the middle class, which has the cult of family and country . . . and wants to be defended from Communism. Its people are conservers of healthy moral values, but they are also re-

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formers on social grounds, and they understand our policy of reform."

Pastore's unions' struggle to wrest workers away from the Communists has not been conducive to such temperate thinking: "It is ridiculous to talk of interclassism," he told the congress, "and criminal to turn our backs on the workers who are eighty per cent of our party. Our poverty leads inevitably to class warfare; reality has transformed doctrinaire Marxism into a daily class fight."

The trade-union bloc can hardly expect the Christian Democrats to become a labor party, nor can this group's thinking be called socialist in any but the most vague Fabian sense. It is simply demanding that the Government throw its weight more on the workers' than the employers' side; this demand was not expressed sooner simply because the Government has only recently seemed to be slipping more in the other direction.

Although the trade-unionists are prepared to oppose De Gasperi on economic policy (where he is the most cautious), they are, like the members of Democratic Initiative, all for him politically. This Center-Left movement enjoys infinitely greater popularity with the rank and file than its rightist enemies do. Pastore's list of candidates for the National Committee drew a third of the delegates' votes at the congress, in spite of the fact that it was competing with a unity list proposed and vigorously defended by De Gasperi himself. There was no way of testing the strength of Democratic Initiative, since its candidates were included in De Gasperi's list. But there was no doubt, from the temper of the delegates, that its views reflected the prevailing mood.

WHILE these developments have been of enormous and probably decisive help to De Gasperi, they have not put him completely in the clear. It has been evident from the beginning that his greatest problem was not the Christian Democratic rank and file but the party's leaders, and the pressure coming from outside through Catholic Action. He is evidently still worried about this pressure. His closing speech to the congress was unusually conciliatory toward the Right; in general, it was one of the most conservative he has made in years.

De Gasperi has reason to be worried. Even if he succeeds in holding his democratic coalition together for the coming election, he has no way of guaranteeing that the rightist factions in the party won't sit on their hands during the campaign. Nor can he be sure that these people will remain modestly in the background after the election while he goes on collaborating with Republicans, Liberals, and right-wing Socialists.

Nevertheless, the party congress was a triumph for De Gasperi. He now has a compelling argument that he didn't have before: Even if it were necessary for him to come to terms with Gedda or the Vespisti—which is totally unlikely—the large majority of his party would not follow him. The rank and file of the Christian Democrats have tasted democracy, and are in no mood to give it up.

3. The Price Of Power

IT IS NOW fairly certain that the alliance of four democratic parties that saved Italy from Communism in 1948 will survive the combined attacks of Communism, monarchism, and neo-Fascism in this spring's national elections. It is also probable, if less certain, that this alliance will get a large enough working majority in Parliament to give the country a more or less stable Government for the next five years. But such a victory cannot be had without a price, and the democratic parties are paying a stiff one.

From early December until after the middle of January the Italian Chamber of Deputies sat in almost continuous session, broken only by the Christmas holidays and a succession of riots, to discuss the law that will govern this spring's election. The law was finally passed only by Premier De Gasperi's demanding and winning a vote of confidence—implying immediate approval—on January 21. Now several thousand policemen have been shifted from around the Chamber of Deputies to the vicinity of the Senate, which will carry on the debate for at least another two months.

The election bill was introduced by the Christian Democrats, with the agreement of their minority allies, the Liberals, the Republicans, and the right-wing Socialists. Its major provisions are that political parties will be permitted to group in blocs for the election, that the bloc which

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gets more than fifty per cent of all votes cast will get sixty-five per cent of the approximately six hundred seats in the new Parliament, and that if no group gets over fifty per cent the seats will be distributed according to proportional representation.

In addition to the law's two main objectives, there is a third that is not supposed to be an objective but will nevertheless be a result. The first objective is to make the next Parliament workable. If normal electoral procedures were followed, the Government bloc would be reasonably sure of winning fifty-one or at the very best fifty-two per cent of the seats, but no more. Then if a few democratic Deputies decided to spend an afternoon at, say, the Rome-Lazio soccer game, the Communists and Fascists could vote the Cabinet down. The British Parliament might be able to cope with such a situation, but Italy's could not, for the Communists and Fascists sitting on the Opposition benches can in no sense be compared to Her Majesty's Loyal Opposition.

The second objective is to block the advance of rightist parties. This doesn't mean that the Left, which has three times the Right's strength, is no problem, but it is now clear

Percentages of Popular Vote

Major Grouping	1948 National Elections	1951-52 Municipal Elections
Communists and allied parties	31	33.8
Christian Democrats and allied parties	61.9	49.5
Neo-Fascists and monarchists	4.9	9.9

that the Communists haven't the remotest chance of coming to power in this election. If there were the barest possibility of their getting over fifty per cent of the popular vote, the Government would hardly propose something that would give them enough additional Deputies to consolidate their régime.

On the other hand, there are several Government leaders who are looking for any excuse to take the Right into partnership. The point of the law, therefore, would be to so commit the Christian Democrats to their allies on the moderate Left that Achille Lauro's P.N.M. could no longer be even a topic of conversation.

High Premium

This leads to the third objective, or result, as the case may be. Naturally, the so-called "premium"—the award of unearned Parliamentary seats—will give all democratic parties some extra seats. But the Christian Democrats' share will almost certainly be enough to give them an absolute majority in Parliament, though according to the 1951-1952 municipal elections they do not represent more than forty per cent of the voters. Therefore, once the "premium" has been won—with the help of the minority democratic parties—the Christian Democrats will be free to do as they please.

A lot of Italians would be happier if the Christian Democrats had forgone this luxury by proposing a premium of only fifty seats or so, instead of the presently specified eighty-five. On that basis, however, the right-wingers among the Christian Democrats would not have accepted the proposal at all. They know that their party will dominate the next Government whatever happens, since it is still the largest single one in the country, and they would much prefer to pick their allies as the occasion requires.

The smaller democratic parties have accepted these terms with considerable reluctance and bitterness. They know quite well that even if the life of the average Italian wage earner probably won't get worse under straight Christian Democratic rule, it is not likely to get much better. They resent being forced to co-operate in bringing a single party to power, yet they see no way out.

Inevitably the parties caring least for democracy have been its most righteous advocates in this instance. The debate on the bill began in the chamber on December 4, with such fine democratic passion that one usher got a broken skull and some thirteen Deputies required first aid. After that the Communists and neo-Fascists conducted one of the most effective filibusters on record. Their strategy included seven-hour speeches, blocking the passageways, overturning voting urns, throwing chairs, and introducing some seven hundred procedural motions and twenty-five hundred amendments.

The Opposition had hoped to delay passage until April, which would be too late for the law to affect this year's elections. The uproar has in any case hurt the democratic parties.

Many sincere democrats believe that this law is Italy's only way out of a political statemate, and Prime Minister Alcide De Gasperi is among them. In fact, as he has pointed out, the Opposition's obstructionism is the strongest proof of how badly the law is needed. "Here in the Chamber," he said, "we have seen the union of the two extreme wings as it would exist if our new Parliament were elected by proportional representation. . . . And here is the cause of our main concern—that these two wings could unite to make life impossible for the Government, and create a situation like that in France, which has brought paralysis. Such paralysis could open the way to a fatal adventure. The evil is not in this law, but in those who have forced us to present it and would force us to withdraw it with their threats if they could."

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The Long Morning After—III:

A Republican's View

HUGH SCOTT

For years to come, the life of peoples at home and abroad will register the impact of the decision the American electorate made on November 4, 1952. This is why, to see as clearly as we can into the future, an effort must be made to evaluate the nature and the causes of the election returns. The following article is the third in a series of political analyses.

"DROP ME at the entrance to the president's office," I told the taxi driver one snowy day in January, 1950, as we approached Columbia University. As I turned away up the steps, the driver called after me: "He can *win!*"

I thought so too. I told the General about the taxi driver's remark. I told him that the public's urge for a better, cleaner shake in Federal administration of its affairs could be satisfied only by his acceptance of the role of standard bearer of the party out of power. "I think, sir," I said, "that the decision already has been made inevitable for you by many people, Democrats and Republicans, who feel as the taxi driver feels."

The successful outcome of his campaign may have been in the cards long before last November 4. Perhaps, without a single whistle stop, telecast, motorcade, rally, or Ike button, the race had already been won behind the starting barrier. Perhaps, to use a favorite expression of the bright coterie of the 1930's, the majority of the "common people" did not need to be told what kind of man they wanted for the top spot.

THESE afterthoughts, sobering as they are to all who gave so much of their energies to win the campaign, do not actually make much sense. For not only is it impossible to check such second guessing against what happened or might have happened, but any attempt to do so begs the question. The "why" of Eisenhower's victory rests, it seems, upon certain popular beliefs and popular demands.

What caused thirty-four million people, so many of them hitherto politically slothful, to go to the polls and vote for Eisenhower? What we have to review is more than the county-by-county statistics of Republican victory or the rationalizations of the Democrats' defeat. Party regularity took a country-wide shellacking, and the Republican Presidential victory is more impressive than the Democrats' defeat. But why did it happen?

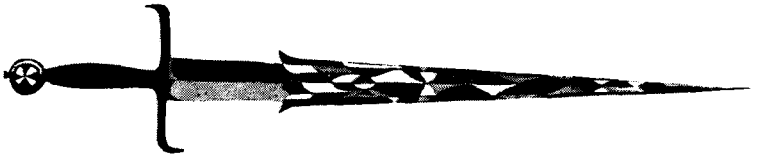
Tested Mettle

The first big cause is obvious: Eisenhower's popularity. In the campaign, he started slowly; he ended strong. As it drew to a close he revealed his true stature, showing in all its massiveness the weight of his personality. Millions became convinced that he had the quality they were seeking in a new leader—the quality of adequacy to what the nation's leadership demands. In comparing the two candidates, many people saw in the candidate of the incumbents a man overly self-depreciating, anxiously wrestling with certain fearful dilemmas.

In the Republican candidate they were offered the bold and optimistic leadership of a man whose mettle had been tested and who had established a most solid reputation by his ability to select and run a team. Here, the majority of the electorate thought, is a man who can get results by dealing with problems in terms of the common good of the people. "I will ask myself only this," Eisenhower said—"is it good for all of the American people?" I am sure that Americans like a man who treats them as equals, who obviously thinks of them as members of a classless society where every man has as good a right as the next to push ahead, to make his own way in life. Americans have come to feel that it is just for government to put a floor under disaster but that it is unjust to put a ceiling on initiative. When Ike told them how he felt about these things, he was talking their language.

This newly formed majority of the American voters also obviously liked Eisenhower's well-tested and long acquaintance with foreign leaders and foreign affairs. They liked his fondness for looking into things at first hand, as, for example, his promise to go to Korea. They liked his refusal to accept the premise that dynamic, expanding Soviet imperialism can only be met by a static, day-to-day policy of "improvise, temporize, apologize." They liked his promise of new and imaginative approaches to regain the initiative in foreign affairs.

They liked the way he grinned at them from the observation car as they chanted "We Like Ike!" They liked his quick "I like *you*, too!" because they sensed how genuinely he meant it. In short, they liked Ike, and they liked Mamie too. People who can be summoned to chilly platforms in their dressing gowns in the wee hours by wayside enthusiasts can't be stuffy characters. Once in the



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White House, they aren't likely to forget the folks back home.

Then there was a national revulsion against venality and incompetence. There was a considerable conviction that the Democrat Administration had degenerated to the point where the ordinary business of government was in such poor hands that nothing could be accomplished save at the expense of ever greater waste, stupidity, and costly blundering. A majority felt that all was far from well in the tumbling mare's nests that passed for government under Truman. This feeling gained impetus from the investigations of the Senate committee looking into the morasses of politically protected crime. The revelations of the misleadingly mild-looking Mr. Kefauver, the Old Testament wrath of Mr. Tobey, and the noisome messes uncovered by them in the Democrat-controlled machine-bossed cities did the national Democrat Party and its personable chief apologist no good at all.

I CONCLUDE that the second contributing factor—though a negative one—was the failure of Mr. Stevenson's party to do anything effective to clean out dishonesty among its own appointees. To this must be coupled a dogged, continuing reluctance to distinguish between genuine liberals and subversives masquerading as liberals. Probably the latter did not exist in great numbers, but the public resented the rush of department heads to the defense of guilty and innocent alike. Allegations of "smear" proved no substitute for earnest sifting of evidence. The chance to prove or disprove allegations of subversion lay with the Cabinet and bureau chiefs. They muffed it badly.

Mr. Stevenson's own earnest assertions that things would be different under him were often drowned out by the still fresh memory in the minds of the people of the rush of Administration spokesmen to the defense of indefensible Federal employees caught red-handed or pink-handed. What Mr. Stevenson said—that there is corruption everywhere, in government as in business—did not do much to satisfy people who wanted corruption drastically dealt with in the actual spots where it had come to light.

The Time Had Come

In 1944, the wartime leadership of Roosevelt and full employment for war production lessened the pulling power of Republican arguments. The voters preferred the trained hand at the wheel of foreign policy. Furthermore, to the average man in the street, it then seemed that there could be no better or fuller employment under the Republicans than we already had. In any event, the electorate in 1944 was unwilling to risk a change of pilots in the midst of the storm of war.

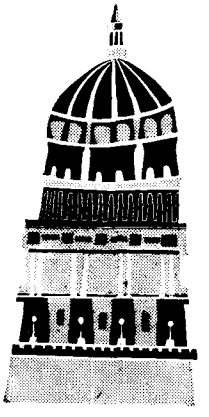
In 1948, Republicans again attempted to answer the question millions of voters would ask themselves before pulling the lever or marking the cross: "What can the Republicans give us we don't already have?" In that campaign there was no great emphasis on foreign policy, because the fateful decisions later revealed to have worked to Russia's advantage did not then appear to the majority of people to be critical to our immediate security. On the domestic side, smoke still poured from the factory chimneys and employment was high. The farmers—the only real sufferers from an economic downturn—were skillfully and deceitfully gulled into believing the "grain-bin hoax." Their uneasiness over falling prices was diverted, by the Administration that had sold their storage bins, to innocently bystanding Republicans who didn't know about this blooper and who never caught on to the political implications of the Truman-Brannan double play.

Elsewhere, in the country as a whole, the early comforting effects of creeping inflation had not yet pushed the cost of living beyond the average man's ability to meet his bills. It may have been time for a change, but not quite enough voters thought so. Certainly, millions who didn't bother to vote weren't sufficiently aroused to do anything about it.

But in 1952 the economic situation, touted as favorable to the "ins," actually aided the Eisenhower victory. The Republican candidates were able to offer persuasive evidence that there were indeed benefits which Republicans could offer the voter. If in 1944 wartime considerations worked against a turnover, if in 1948 Americans decided they never had it so good, by 1952 the twice tried-out slogan, "It's time for a change," found an echo in a much larger number of people ready to stop and think. Indeed the time for a change had come, both in foreign and domestic policy.

Most Likely to Succeed

The next factor strikes me as having been vitally persuasive to millions. A powerful Russia, now clearly a menacing enemy, had exploited the gains of Teheran, Potsdam, and Yalta, had marched into the vacuum left in Asia by our disastrous China policy, had made imperative our intervention in Korea. The nation found itself at war under leadership that revealed multiplying signs of incompetence in diplomacy, defense,



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and rearmament. With the initiative in the hands of our foes, the biggest question became: "Which candidate can best find the ways that lead to peace?"

Eisenhower's decision to go to Korea, the Dulles thesis that means must be found to regain the initiative for the free world, the over-all evidence that Republican direction of foreign policy would be more forceful and imaginative—all these tended to rate Republican foreign policy as most likely to succeed.

IN THE domestic field also, there was something different about the way the issues were shaping up. Republicans began to realize that people needed assurance that they would not lose the social gains developed during and even prior to the New Deal. Eisenhower gave this assurance. Such measures as old-age and unemployment insurance not only would not be taken away, he promised, but would be expanded as need was demonstrated.

With fear out of the way, the rest of the Republican answer gave the majority of the voters the confidence that a G.O.P. victory would offer them a betterment of their standard of living, a more secure enjoyment of what they already had gained. This greater security could come about through lowered costs and better administration of government, a balanced budget, a curb on inflation, and reduced taxes. Surely, if one's money could be taught to stand still long enough to buy as much as it bought the week before, this would be social progress too. In twenty years, the New and Fair Dealers had never been able to accomplish anything as new as lowered living costs or as fair as lower taxes.

With Republican know-how in foreign affairs buttressed by a Republican President who would not let anybody "take it away" from the people, this would seem the time for the electorate to hire itself new management.

I think a subsidiary but important contribution to Eisenhower's success was his insistence that he was a national and not a sectional candidate. How successfully he campaigned as the first truly national candidate of the Republican Party is now in the history books. He did more than bring about a realignment in the South, which will for the first time since the Civil War enjoy the competitive benefits of a two-party system. It became obvious that in rejecting advice to play safe as a sectional candidate, Eisenhower would also be his own boss in withstanding pleas to play one special interest against another or one section against another. Here was proof of his intention to consider the good of all Americans alike, a proof later furnished by his appointment of men of all races and creeds as his personal advisers, and of his post-election designation of an AFL Democrat to be his Secretary of Labor.

Eisenhower won because he got more votes than Stevenson. The "why" of this big vote margin convinces me that although the passions of the people ran high, the majority who voted for him did so with wide-open eyes and knew what they were doing. The Stevenson argument of "Let's keep what we have, only I can do it better" fell before the irresistible appeal of Ike's "We need a housecleaning from top to bottom."

The memories of a bitter recent past kept the Republicans hard at work and left no room for overconfidence. Rank-and-file Republicans, remembering 1948, took no chances. During the past four years I have been in every one of the forty-eight states and I have seen the growth of firm resolution in the ranks of the party faithful. These people, and many independents too, determined to correct in 1952 their own fatal complacency of 1948.

Volunteer workers came from every stratum, every race, every creed. Back of Eisenhower and Eisenhower's crusade there was no "border nor breed nor birth." There were simply millions of aroused good Americans, concerned not with the perpetuation of the past but with the demands of the immediate present.

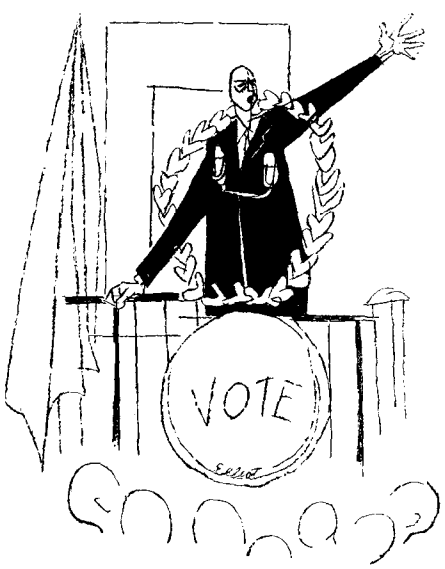
Some Stevenson adherents have said that there were such things as Republican "natives" and Democrat "immigrants." The election returns give such talk the lie, as the vote in city, small town, and rural community proves. The results show that Polish Americans, German Americans, Russian Americans, or whatever you will, divided their votes between the candidates. Certainly no bloc was delivered as a group. Nor was this a struggle by workers and intellectuals against the business community. There was no such thing as an alignment of the managers versus the managed, or of lowbrow versus highbrow.

One thing that has not been recognized sufficiently is that the Eisenhower vote of the armed forces at home and overseas was well ahead of the margin among civilians. According to pre-election polls, the nearer the soldiers were to Korea, the more they seemed to like Ike.

His Level Best

Eisenhower said in a pre-Convention talk in Texas: "For the Republican Party to win it must first deserve to win." Republicans under this type of Republican leadership, in my sincere opinion, deserved to win. But for Republican leadership to be ratified in future elections, we Republicans must manage to keep the confidence of the people by the record we make. By the extent to which Republicans truly serve the common good we shall be judged.

If the victory is to become the victory of all Americans, it remains for President Eisenhower to live up to the standard he has set for himself: "I will do my level best." As one who has been privileged to see this man in action, I can say that his "best" should be very good news to Americans.



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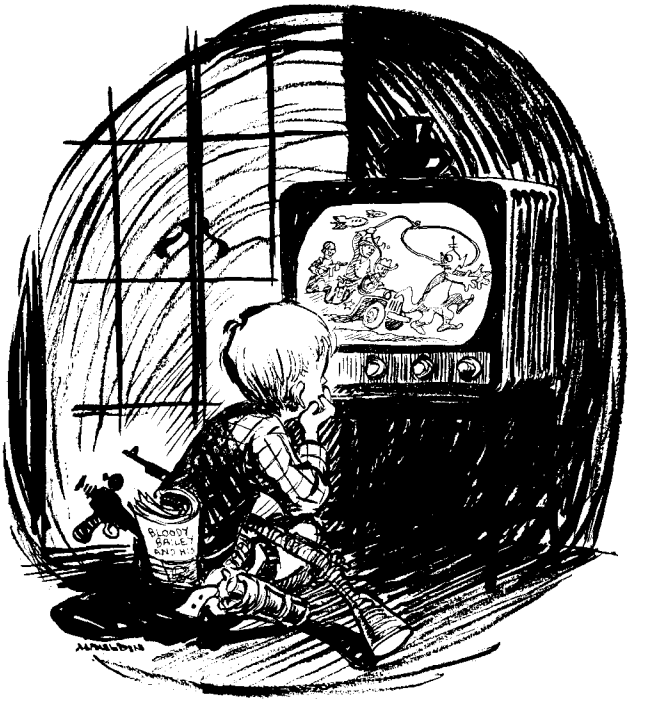
Bill Mauldin Writes To Joe



MY KID ANDY got a lot of toy guns for Christmas. They sure are making them realistic now. If we get into another big war, all that Ordnance will have to do is ask the young fry to turn in their small arms, then chamber the weapons for standard ammunition, put in real firing pins, and the Singer Company can go right on making sewing machines. We'll have plenty of guns.

Anyway, the other day Andy was sitting in front of the television set with a gold-plated Colt .44 in a holster, a rocket pistol in his belt, a rifle on his lap, and a comic book in his hip pocket. Man, you should have seen the cover on that book. It would have scared you to death. A bunch of wild men wearing U.S. Army uniforms and using knives, fists, and what looked like broken beer bottles were tangling hand to hand with some unidentified villains, who were naturally getting the worst of it. A flying saucer hovered over their heads.

THE TELEVISION show took up where the book jacket left off. It was a space-man moon-shooting program that must have been trying to keep its hold on the lollipop lickers who are still loyal to cowboy stuff, because cattle rustlers in a jeep kept coming in and out of the picture. There was some military stuff from time to time, too.

"I don't wanna be President any more," Andy told me. "I wanna join the Army and be a sojer all my life."

"Don't worry, you can do both," I assured him. "There's no limit to the opportunities open for an ambitious soldier."

"A space cadet can kill a cowboy, but a sojer can kill cowboys *and* space cadets," he said. "I can kill you, too. *Kerspcheouwwwww*!" He can't even whistle yet, but he can purse his mouth and imitate perfectly the sound a ricocheted rifle shot makes on a sound track.

UNDERSTAND, Joe, *I* didn't give him those weapons. They came from grown-up friends of Andy's who watch television or who notice on drugstore magazine shelves that instead of the innocent, old-fashioned comics with horrible, warty ghouls dragging half-naked ladies around, now there's the steady drip, drip, drip of gore and the gleam of an occasional flying tooth with a bit of jawbone attached when the leading character doesn't want to get his bayonet wet and so uses the horizontal butt stroke instead. These friends assumed, more or less accurately, that this is the trend with the younger set, and so for presents they gave the kid an arsenal.

All *our* parents had to worry about was explaining sex to us. Our parents could answer straight or they could duck the questions and let us get our misinformation elsewhere. Today with our own kids there's this added problem. "Daddy, did you get to kill anybody in the war?" "Are people dead when they're killed?" "I want to kill somebody." "Why do they lie down when they're dead?"

It won't do any good to take the books and the guns away and throw out the television. They'll just go over to a little pal's house and feel that much more adventuresome about it. And you can't duck it and say it's all a lot of make-believe when they'll find out soon enough that there's real shooting going on in the world and more of it brewing.

BUT I finally hit on the right thing to say. It occurred to me that what puts a lot of the glamour in this battle stuff is that the television and comic-book projectiles travel a more or less one-way street and the badmen always drop dead first. I told Andy that *this* part is sure enough make-believe.

"You mean when I'm a sojer and shoot, he kills me back?" he asked. He thought about it for a while. He decided it didn't seem fair to him. Damned if he was going to play that kind of game. He laid down his guns and I hope he won't pick them up again until he's drafted.

Regards,
BILL

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CHANNELS:

Comments on TV

MARYA MANNES

"Suburban ladies war veterans stuff snakes back into peanut jars." Thus a scribbled but reasonably accurate reminder of what went on one day on "Ladies' Date," a daily feature on Channel 5 at one o'clock (E.S.T.), when a bursting M.C. named Bruce Mayer excites middle-aged ladies by a series of jinks or ding-dongs. It is only one of a dozen such shows designed to make life tolerable for the woman over forty, who seems to need certain attentions denied her elsewhere.

The form this attention takes varies, but the formula is the same. Make her laugh, flatter her, give her presents. Invariable also is the purveyor of this attention: a man of inane garrulity, glandular energy, and no shame. I can only believe that he succeeds because of the taciturnity, the fatigue, and the frustration of American husbands—qualities only too understandable when their wives appear on the screen.

It may be funny to see ladies stuffing foam-rubber snakes back into peanut jars, but it is less funny when a young man moves from woman to woman singing a love song as he sits on their laps, strokes their hands, kneels before them, and gazes deep into their eyes. In this instance a few had the sense to giggle at the obvious hamming, but many—homely, portly, old enough to be his mother—looked at him with an expression that betrayed a lifetime of unanswered girlish dreams, and that was nearer tragedy.

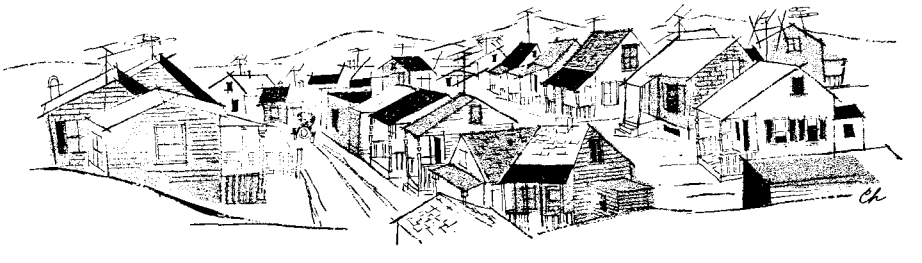
Kinder perhaps is a Mr. Richard Willis, who has a daily show called "Here's Looking at You" on Channel 4 a little later in the afternoon, in which he counsels women about their appearance. One by one these not-young ladies sit by him and ask him what to do about sagging necks, small eyes, and big noses. They are mostly shy and hesitant, and Mr. Willis soothes them with the gentlest of criticisms and advice. "I don't see a thing the matter with your nose, dear . . . you're just conscious of it." Or "Not *quite* so long in the back, dear . . . it ages you." His most recurrent comment—and it is easy to see why—is, "This hat is not for you, dear."

They take this humbly and gratefully, accept a few gifts, and retreat from sight, leaving Mr. Willis rather more haggard than usual. He is the only tired M.C. on view, and one must be grateful for that. What is sad about his program is the almost desperate absorption of these women in externals which, at their age, should count least among their assets. And when Mr. Willis makes up the face of a prospective bride of seventy-four to show her how to look on her wedding day, one can only shudder, wishing that somewhere there were a Mr. Willis who would say: "This youth is not for you, dear. You will not keep either its illusion or your husband by the foundation you use, the color of your rouge, or the shape of your nose. The real beauty of age has nothing to do with these; it springs from the light in your eye and the warmth in your heart."

But then—how would the creams be sold, and how would Mr. Willis live? Is it possible that illusion, however pitiful and transitory, is worth its weight in commercials?

"Wonderful—No Charm." This cryptic note concerned an hour of cooking on Channel 7 by Mrs. Dione Lucas, a master of the art. There are four or five cooking programs daily in which pleasant or pretty women smile relentlessly as they toss up dainty dishes in immaculate kitchens and show you embroidered mats made by mountain people and serrated cake knives which can also be used for fish. Mrs. Lucas smiles hardly at all and does nothing but cook. She is English-born, and her clipped speech, her stern intelligent face, her brisk movements—even the heavy coil of hair at her nape—make no concessions to what is currently known as "charm." She is showing you how to cook magnificent food, and she doesn't care what you think of her. There is even a slight show of irritability when she reaches off-camera for some ingredient and it is a second slow in coming. Good cooks are notoriously short-tempered.

My only grievance against her program can be applied to all: These women work with flawless equipment and invisible help. There they are, with never a dented pot, a darkened pan, or a chipped bowl, stirring in a cupful of onions which some tear-soaked minion has already chopped offstage.



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Photographs from Wide World

Sidney Hillman And the Housebroken Workers

RICHARD H. ROVERE

SIDNEY HILLMAN: STATESMAN OF AMERICAN LABOR, by Matthew Josephson. *Doubleday. $5.*

MATTHEW JOSEPHSON'S life of the late Sidney Hillman is a long, dull, piety-ridden book but a document nevertheless rich enough in symptoms and symbols to be of considerable interest. It is, for one thing, the most ambitious study of a labor leader that any American writer has undertaken. This is in itself an odd and striking circumstance. For years now, American writers, the main body of them anyway, have felt and sometimes passionately expressed an affinity for organized labor. On numberless occasions they have made common cause with its leaders. But while whole posses of novelists, dramatists, and biographers have been taking out after businessmen, politicians, Army officers, inventors, movie stars, clergymen, doctors, hucksters, educators, hoboes, and just about everything else that American life turns up, no man of letters has seriously confronted the labor leader.

There have, of course, been books by Ph.D. candidates and journalists (George Soule did a short life of Hillman in 1939), but Josephson is the first certifiable literary type to pick up the challenge. And Josephson is literary all right—a veteran of the Left Bank and the left wing, a former editor of *transition*, the author of an early discourse on alienation, *Portrait of the Artist as an American*, and of biographies of Rousseau, Zola, and Stendhal.

IT IS fitting that the man celebrated in this pioneering work should be Sidney Hillman. From the outset of his long and astonishing career, Hillman held an enormous fascination for intellectuals. He seemed spread with a kind of honey that fetched the high-minded as if they were so many brown bears. Indeed, it was really this that made his career possible, though Josephson would have us believe it was something else. He sees Hillman as a great and shining spirit, a man who rose in the labor movement because his fellow workers responded to something fine and beautiful deep inside him—"he was very human and close to them always."

This is absurd. Hillman was human and in many ways admirable, but he was nowhere near as close to the workers as John L. Lewis or Matthew Woll or any number of other men in whose depths Josephson would find nothing that shone. He had been an apprentice cutter at Hart, Schaffner & Marx in Chicago for about a year before becoming, at twenty-three, a full-time union functionary, and after that the rank and file saw precious little of him. "He worked at pants for a couple of months, and then he became right away a statesman," a veteran garment worker was quoted as saying in a somewhat less reverent account than Josephson's. As a leader, Hillman was remote and inaccessible, though no less respected, probably, than most of his contemporaries.

Hillman rose in the labor movement and in the world because he won and held the admiration of estimable people with high social ideals. Among his early friends and patrons were Jane Addams, Louis Brandeis, Lillian Wald, Clarence Darrow, William O. Thompson, Mrs. Raymond Robins, and Newton D. Baker. It was Miss Addams and her

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Hull House friends, particularly Earl Howard of Northwestern University, who, seeing in Hillman a young man who looked like a poet and talked like a sociologist, commended him to Joseph Schaffner, the head man of Hart, Schaffner & Marx, and something of an intellectual himself. The operators in his pants factory had been restive. When Hillman started telling his former employer about the wretchedness of their lives, Schaffner's conscience developed severe aches and pains, and a new day dawned in men's clothing.

HILLMAN was catnip for every social worker, every writer, every liberal attorney, and very nearly every manufacturer he met. His leadership, first in the old United Garment Workers and then in the Amalgamated Clothing Workers, of which he became, in 1914, the first president, was in large part a triumph of the Doctrine of Good Connections.

Now and then employers would yield to the sheer power of the union, but more often they yielded to Hillman's verbalizing. Josephson tells how, in the winter of 1915, Hillman went to Montreal, where a bitter strike was in progress. "In temperatures of twenty below zero the picket lines were filled mostly by young girls who came out at six in the morning, only to be ridden down by the Royal Mounted Police." The outlook was bleak. All the war powers of the Canadian government were being used against the workers. Hillman was undaunted. He "despatched many telegrams to friendly business leaders in New York . . . Through the intercession of a certain New York philanthropist, . . . one of Montreal's largest clothiers, at length, agreed to receive him." Hillman called on the man and the Amalgamated was in.

It was a novel approach to industrial strife and a hugely successful one. There was the case of the A. Nash Tailoring Company in Cincinnati, an enormous sweatshop owned by a Seventh-Day Adventist minister who was known as "Golden Rule" Nash. This divine was for years the leader of the open-shop forces in the industry and their chief ideologist. He claimed that God was running an open shop up above. Hillman got some liberal churchmen to arrange a conference. "We prayed together," Hillman said. After the meeting, Nash signed up with the union and explained to his business associates, "Let me tell you something, brethren, Sidney Hillman, to my mind, stands second only to the Carpenter of Galilee in his leadership of the people themselves."

Leader or Ambassador?

From one point of view, Hillman was a highly effective labor leader. From another, he wasn't a labor leader at all but a workers' ambassador to the employers. The Hart, Schaffner & Marx management bargained with him for two years be-

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fore learning that they had been doing business with the business agent for Chicago Local 39 of the United Garment Workers. Hillman had been representing the workers without mentioning that the workers were organized in a union. The employers had thought they were simply doing the decent thing at the urging of a nice young man and their own better natures.

And so they had been. Learning that Hillman was connected with the union, they were "disappointed in and even much vexed at [him]." But not for long. Hillman gave them "the quiet assurance that he could make a proposed union agreement *pay* for them. He spoke in the language they understood, the American language of practical business." Hundreds of employers were to hear the same assurances, the same easy-to-understand language down through the years. And they were to discover that Hillman, as a rule, was right.

The Gadgeteering Approach

Nothing contributed more to Hillman's reputation as a Labor Statesman than the Amalgamated's efforts to serve as a laboratory of social improvement. Viewed strictly as a trade union, the Amalgamated was, and is, just so-so. It is hard to compare its wage scales with those of other unions, even of so closely related a one as Dubinsky's International Ladies' Garment Workers. But it has certainly done no better by its workers than the average union, and an impressive case can be made out to the effect that it has not done nearly as well. In any event, many have done more. Judged by the degree of internal democracy, the Amalgamated is probably a bit below par. It is not as bad as the International Longshoremen's Association, but it is not anywhere near as good as, say, the United Automobile Workers.

But as an organization with gadgets for enriching the lives of its members in other than financial ways, nothing matches it. Hillman embarked on this program right at the start. A lecturer on elevating subjects named Dr. Max Goldfarb said that the new union should be "a temple within and a fortress without," and the phrase so pleased Hillman that he put Dr. Goldfarb on the payroll to sow seeds of culture in Amalgamated locals all over the country. After Dr. Goldfarb came a whole flood of devices for uplift, co-operative living, and the like. There were housing projects, workers' schools and colleges, insurance schemes, singing groups and art classes, worker-owned

Felix Frankfurter

plants, children's programs, and other such side shows. Some of these turned out well; others, like the worker-owned plants, fizzled. The best-known today, no doubt, are the Amalgamated Banks in New York and Chicago, which, as the late Benjamin Stolberg once wrote, "do a small and safe commercial business and render the members of the union no service that they cannot get elsewhere."

In the large view, however, these ornaments paid off quite handsomely. For it was upon them rather than upon its accomplishments as a collective-bargaining agency that the Amalgamated's reputation rested. Without them, it would have been just another union; with them, it was "the New Unionism." It was these gimmicks, along with such purely verbal tricks as a redefinition of collective bargaining as "industrial science," that made Hillman seem a towering figure to the editors of the *New Republic* and to reformers like Louis Kirstein, Felix Frankfurter, and William Z. Ripley; that brought him invitations to address political-science academies and other learned groups; that led to the term "Labor Statesman"; that made him a court favorite in two liberal Administrations; and that produced this devotional essay by Matthew Josephson.

One wonders why all these trained minds succumbed so readily to what was, if not form without substance, form with only an average helping of substance. Is there some quirk in the pragmatic mind that is always getting form and substance mixed up? The experience of American intellectuals with Communism also suggests such a possibility. Or is it, perhaps, that American liberalism has such a profoundly middle-class base that liberals are offended by militancy in collective bargaining and feel most comfortable with leaders who, like Hillman, appear to subordinate this gross activity to the task of housebreaking the workers?

In any event, the gimmicks, quite apart from what they may have done for Hillman's ego, a sizable and intricate one, were of value to the union *qua* union. The Amalgamated began as a dual organization, and it won its most notable advantage over the United Garment Workers when Hillman's friends in the Wilson Administration fixed things so that it should be the favored agency in firms getting military-uniform contracts. Between the New Freedom and the New Deal, the Amalgamated had a fairly rocky time of it, particularly toward the end, but then Felix Frankfurter became a power in Washington, Miss Perkins was appointed Secretary of Labor, and Hillman was called on to help draft NRA codes and advise on labor legislation. Under the New Deal the union consolidated its power. There is no more United Garment Workers. The Amalgamated is now secure, thanks largely to the gadgets which wowed the gadget-minded who were in a position to help make it secure.

JOSEPHSON writes, for the occasion, as a hagiographer. He makes no attempt to judge Hillman's career as a whole. It would be difficult for anyone to do. Hillman did a lot to improve conditions in one of our worst industries. The United Garment Workers would never have done anything; it was a racket for selling union labels to sew on workingmen's overalls. Some of the Amalgamated's

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contracts were bogus, too. Hillman often signed an agreement that won union recognition but nothing extra in the pay envelope. But sooner or later the money came, and taken on the whole, things got a good deal better over the years. Hillman sometimes performed usefully in other fields. Most estimates of his work in the Office of Production Management during the late war reflect credit on him.

What Scholarship Ignores

Then there is the other side, which doesn't interest Josephson. Hillman, with his skillful public-relations machine, helped debase the currency of ideas with endless twaddle about "industrial science" and "labor statesmanship" and all the rest of it. Josephson is only the latest of a large number of writers to carry on about all of this without examining the substance of it. Hillman's concern with insurance schemes and benefit funds had the effect of making his union—and others that emulated it—concerned more than anything else with the protection of assets. Because of Hillman, the power of the Communists in the last years of the war and the first postwar years was much greater than it needed to be.

Hillman himself despised Communists. We are told that "he was by nature a very gentle, even a sentimental soul," which perhaps is true, but he had not flinched at driving the Communists out of the Amalgamated with goon squads in the 1920's. But by the early 1940's his vanity, taking the form of hatred for David Dubinsky and personal political ambition, led him to form an alliance with the Communists in the American Labor Party in New York. This led to the wrecking of that organization. It also did great harm to the Democrats in New York. Then, with Hillman's protection, Communists overran the Political Action Committee of the CIO, and did mischief there, too.

Of course, all of this is today pretty much a matter of academic concern. Hillman died in 1946, and PAC isn't of much interest in the America of President Eisenhower, Sherm Adams, and Arthur Summerfield. What may be of more than academic concern is Matthew Josephson's book. Here is a work affecting to tell the truth about a man, a figure of some importance in recent American history and particularly in the history of liberalism. It affects to be a work of meticulous and exhaustive scholarship. Its pages crawl with superior numbers sending the reader to the section at the rear of the book called Source Reference Notes. (These are obviously much better than either Source Notes or Reference Notes.) Back there, *ibids* and *op. cits.* cascade down the page—little typographical assurances that this man did a lot of work and must therefore know whereof he speaks. Everything about the book—its length, its array of names and dates, even the drowsiness its style induces—conveys the idea of authority.

YET the thing is a deception. No toothpaste ad was ever more artfully misleading. Josephson hasn't really investigated Sidney Hillman's career at all. He has merely collected a lot of stuff and nonsense about it. One hates to drag in *Nineteen Eighty-Four,* the most dragged-in book of our epoch, even one more time, but one can't avoid it. Here scholarship is anti-scholarship.

There is the question of Hillman and the racketeers. Anyone who knows anything about the Amalgamated knows that it was infested with crooks for years. The fact doesn't necessarily make Hillman a monster. Gangsters got into many unions. In the end, the Amalgamated cleaned most of them out. What is known of its record is not shameful. But Josephson, in a chapter called "The Struggle with the Racketeers," one which sends the reader to Source Reference Notes thirteen times, informs us that to the Labor Statesman's dismay and chagrin some gangsters gained control of one local, that this was the fault of a pair of cads named Orlofsky and Beckerman, that directly upon discovering what had happened Hillman became the leader of an anti-crime crusade in New York City, that he put himself in terrible danger but finally bested the scoundrels.

What the anti-scholar fails to say is that Abraham Beckerman and Philip Orlofsky were Hillman's trusted lieutenants, that they were charged by Hillman with bouncing Communists from the Amalgamated, that they carried out this directive with the aid of gunmen, that the gunmen got control of important parts of the union, and that Hillman tolerated this condition until his prestige and that of the union could stand it no longer. There were charges that Hillman was personally involved with the gangsters, that he himself used them to soften up reluctant manufacturers and non-Communist union men who objected to this or that aspect of his leadership. Westbrook Pegler trumpeted the story in his column for months, say-

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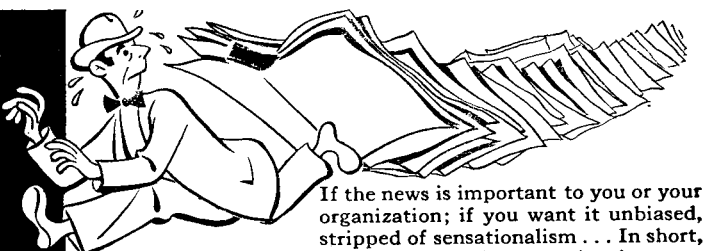

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ing that Louis Buchalter, at one time New York's leading industrial racketeer, wanted to buy his way out of the electric chair by telling the truth of all this. Buchalter was executed in 1944.

Josephson jeers at Pegler, a good man to jeer at, for having said such things. No confessions implicating Hillman, Josephson says in a footnote, "were ever obtained while he [Buchalter] waited for his death." What is wrong here, as Josephson could easily enough have learned, is that Buchalter talked and talked and talked about Hillman before he died but could not produce what is essential in the case of testimony from a man under sentence of death: corroboration. Buchalter may have been lying in his teeth. Condemned criminals have that habit. But Buchalter did talk. A number of close observers believe that Hillman was involved.

It is only one of the many matters to which Josephson pays no attention, in this book which all sorts of

Louis 'Lepke' Buchalter

good and well-intentioned people have welcomed as an inspiring monument to a great liberal leader. We live in a time when liberals are justifiably angry over the lies that are being told about them. But how long will the anger be justifiable when liberals show little concern for the truth about themselves?

BOOK NOTES

ABRAHAM LINCOLN, by Benjamin P. Thomas. *Knopf. $5.75.*

WE TEND to put Lincoln with the Old Testament prophets, a tall man with a beard giving divinely cadenced utterance to ideals toward which we are still striving. But the man lived his life as a politician, not as a prophet, and this splendid new biography – which supplants Lord Charnwood's book as the best one-volume life of Lincoln—reminds us that Father Abraham was perhaps the shrewdest American politician of the nineteenth century: "To hold together in wartime a party made up of abolitionists and Negro-haters, high- and low-tariff men, hard- and soft-money men, former Whigs and erstwhile Democrats, Maine law prohibitionists and German beer-drinkers, Know-Nothings and immigrants was a task almost beyond accomplishment." He did it with a patience that radicals mistook for conservatism and a toughness that idealists mistook for cynicism.

Caught between the arrogant temporizing of General McClellan and the abuse of those who called him spineless for keeping a disobedient general, Lincoln—less fortunate than another President who has been disobeyed by generals—had to reckon with the knowledge that there was no commander nearly as competent to put in McClellan's place. And so he held on (fighting what some people say the nation had never fought before Korea—a limited war), generaled a little himself, and finally there were Grant and Sherman and Sheridan.

Confronted with a palace revolution by his own Secretary of the Treasury, Lincoln found himself again alone with the knowledge that indulging in the pleasure of meeting Salmon P. Chase's force with force would be the end of party unity, and possibly of the Union cause. And so he outmaneuvered Chase consummately and lived to win another election and the war.

He was pre-eminently a practical man. Pressed to get the Thirteenth (anti-slavery) Amendment through the House of Representatives, he was not above promising a Democratic Congressman a Federal appointment for his brother. Perhaps his wisdom lay in his humorous acceptance of politics in a democracy as the art of the possible, his greatness in the fact that by beating the politicians at their own game he saved both the nation and what the nation stands for.

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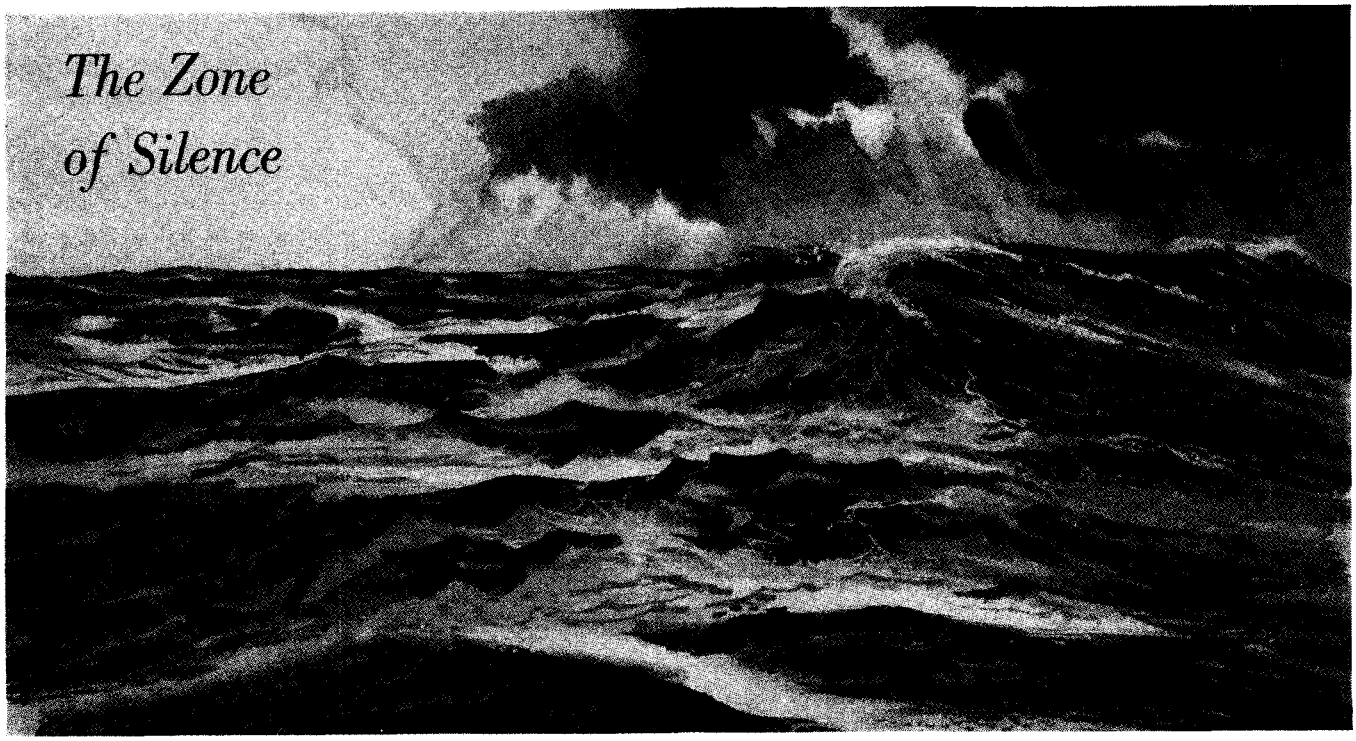

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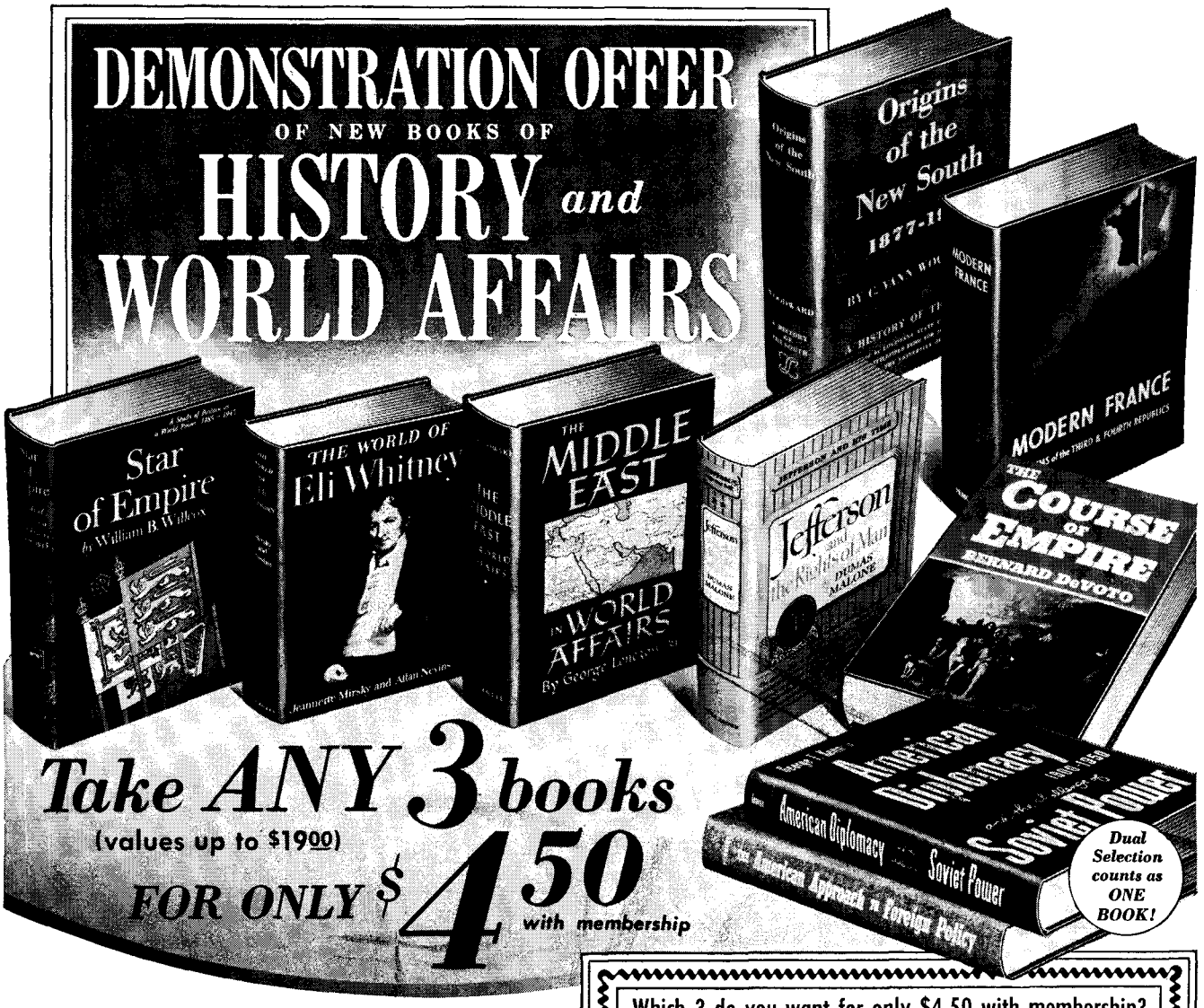

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